The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 28, 1933



WHAT'S GOING TO HAPPEN NOW?

The crystal gazer is willing to take your money for the answer. But we'd hate to depend upon his brand of hocus-pocus to determine our policies, insurance or otherwise. With new codes, new schemes, new hours, new wages, the manufacturer is off to a new start. Can insurance help him?

That's what insurance agents and brokers are for. The uncertainties as to what would happen as the ultimate result of an accident, fire or robbery need cause the manufacturer no worry. Adequate insurance protection makes certain that his interests will be protected; that his assets will not be impaired. It will give him a timely asset, freedom from worry.

What should be sold to the manufacturer, and why, and how? Those are questions which are of vital interest to the insurance fraternity. They are questions to which we give some of the answers in the September issue of The Employers' Pioneer. In the field of automobile insurance, for example, we believe hired car coverage, deductible property damage, more automobiles than operators, are angles worthy of discussion along with the usual more familiar phases. In a like manner concurrency of policies is important in considering fire insurance. What's going to happen now? A great many things might happen which are beyond the control of the average buyer of insurance. Fires, accidents, burglaries — they never occur on schedule. But, when something does happen, whether he has to stand a good sized loss depends to no small extent on the activities of his insurance agent or broker. These activities should be such that the average agent or broker can use to good advantage all the suggestions, all the help he can get. Perhaps the current number of the Employers' Pioneer would help you. We will gladly send you a copy. There is no obligation on your part. Write the Publicity Dept., 110 Milk Street, Boston.

The Employers' Group *The Employers' Liability Assurance Corp. Ltd. • The Employers' Fire Insurance Co. • American Employers' Insurance Co.* **110 Milk Street, Boston**

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H. L. Callanan, President and General Manager

In NORWICH UNION there is strength

COMPANIES

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-seventh year. No. 39. Thursday, September 28, 1933. $4.00 a year, 20 cents per copy. Entered as second-class matter, April 25, 1931, at postoffice at Chicago, Ill., under act of March 3, 1879.

"WESTERN AND SOUTHERN GROUP"

THE WESTERN AND SOUTHERN INDEMNITY COMPANY

Policyholders Surplus $1,506,656.98

All Securities Valued at Market December 31, 1932

THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

Policyholders Surplus $493,330.74

All Securities Valued at Market December 31, 1932

CHARLES F. WILLIAMS, President CINCINNATI, OHIO

Address

WILLIAM C. SAFFORD,

GENERAL MANAGER

THE EUREKA-SECURITY FIRE & MARINE by successfully weathering all wars, panics, conflagrations and depressions during the past sixty-nine years has thoroughly proven its strength and ability to serve properly policyholders and agents. Such a company is an excellent one for you to have in your agency.

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FIRE & MARINE INSURANCE CO.
Established 1864
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LARGE ENOUGH
To write lines liberally

SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience

The National Underwriter

Thirty-Seventh Year—No. 39 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 28, 1933 $4.00 Per Year, 20 Cents a Copy

Chicago Shippers' Plan Is Defended

Misunderstanding Blamed for Criticism of Contingent Inland Marine Contract

EXPLANATION IS GIVEN

Association of Commerce Man and Representative of Agency Tell How Scheme Works

A misunderstanding of the plan put in effect in the Chicago Association of Commerce, involving a contingent inland marine policy placed in the National Union, to protect members who ship by motor truck, is blamed by persons interested in the arrangement for widespread criticism which has arisen.

Company officials, agents and brokers in the east are reported to be aroused because they understand the policy was taken in the name of the commercial association and they see in this a "fictitious fleet" scheme which if it should spread would seriously curtail the writing of shipper's cargo insurance to individuals and concerns, and would take away from producers a large volume of premiums. There were also angles which led some insurance men to believe the association was assuming some insurance functions.

Plan Declared Orthodox

The plan is orthodox, according to F. S. Bankhardt of Osborn & Lange, Chicago agency which placed the contract, and A. H. Schwietert, acting director of the association's transportation department. Rather than to participate in the insurance business, the commercial organization was careful to avoid even an appearance of doing so. The policy is written in the name of "members of the Chicago Association of Commerce whose names are endorsed hereon."

Another point of criticism was over the report that the association was "certifying" truckmen who were responsible. This savored somewhat of suretyship. The truth according to Messrs. Bankhardt and Schwietert, is that the only "certification" is admission of responsible truckmen to membership in the association. Others are not admitted. A list of truckmen members is published.

Give Reasons for Arrangement

The underlying reasons for the insurance arrangement as given by Mr. Schwietert are these: The transportation department has published a "way to ship" pamphlet since 1906. With the advent of motor trucks there arose a demand for reliable information on truckmen and such a section was included two years ago, giving all available names in the Chicago area.

Then some bad experience resulted, member-shippers having losses and being unable to locate the trucking out-

(CONTINUED ON PAGE 39)

Interesting Comments on Current Loss Conditions

Many phases of the loss situation, including 60 day deferment of payments on cigarette losses, the combination tornado and hail policy, the Cleveland problem and the Chicago automobile theft question were covered in the report of C. R. Street, western manager of the Great American, as chairman of the committee on cooperation in loss adjustment practices at the mid-year meeting of the Western Underwriters Association.

Comment on Cigarette Claims

The matter of cigarette claims is under fair but not complete control, he said. Most of the agency force supports the company in denying these claims. In August, 1932, there were 473 cigarette claims reported to the Cook County Loss Adjustment Bureau, involving payments of $10,463. In August of this year there were 120 claims involving $3,353.

There has never been any obligation to pay for scorch, discolorations or other damages where actual fire as defined by the courts as "actual ignition" has not occurred, whether from cigarettes, pressing irons, lighting bulbs or any other cause. Mr. Street quoted a publication of a mutual company stating that a fire does not ensue unless the flame is one inch high. This indicates, he said, that the mutual companies are even more vigilant in this respect.

Constant Source of Annoyance

There is a constant source of annoyance and loss, according to Mr. Street, in cases where the aggregate amount claimed on a large risk with many companies interested is well above that which would be entrusted to an agent for settlement and where the interest of the individual company is small. The reference of such claims to agents is unfair to interested companies which have noted the aggregate size of the loss and found it necessary to enlist the services of a company owned adjustment bureau.

Advertising of Hurried Payments

Mr. Street urged members to discourage any advertising of hurried payments of individual claims. The advertising of prompt payments, he said, as if all companies of respectability did not pay their claims with promptness, is more detrimental than the advertising of aggregate payments in a disaster can be beneficial.

Now that tornado rates have been revised to include hail coverage, Mr. Street said, conflicts will in time be eliminated but only when all tornado policies outstanding have been properly endorsed to include the new provision or have been renewed under the new form. The governing committee has ruled that the extension of the hail rider to outstanding policies may not be made without the payment of proper additional premium and endorsement. The failure of many agents to give attention to outstanding policies will produce serious complications if there is another season like 1933, in which hailstorms have been numerous and destructive and much misunderstanding will result.

Mr. Street took up the question of accumulative payment of losses. He recited a resolution on the books condemning the payment of losses on an accumulative basis where the individual losses have not been regularly reported and adjusted as they occur. Mr. Street told of a town where for several years the local board has assumed to handle all loss claims under the board of education schedule without notice to the companies at the time the losses occur and without reference of any of the claims to the local office of the company owned adjustment bureau. A few companies have objected to this and he said the practice is dangerous in the establishment of a precedent, is in violation of the wishes of the association and unjustifiable in every way.

New Resolution Was Adopted

Mr. Street, therefore, submitted a resolution which was adopted. Under that resolution the companies represented at that point and interested in the insurance on the school property there shall on a day to be named by the manager instruct their agents that in the future all losses of whatever size on any property named in the board of education schedule shall be referred at the time the loss is reported to the local office of the Western Adjustment; that such losses must be reported to the companies at the time they occur, although this report may be made through the adjustment company if desired. There is no objection to the payment of such losses on an accumulative basis at any given time on a single proof but the resolution must be strictly observed.

Referred to Cleveland Situation

As to public adjusters, Mr. Street reiterated the recommendation that field men be forbidden to associate with these operators outside of necessary business contacts. Criminal prosecution of a number of public adjusters is under way at several points, he said.

In referring to the Cleveland situation, Mr. Street recalled the action taken at the last meeting of the association requiring losses to be referred to company adjusters. Cooperation has been generally accorded in this connection, he said, and the attention of the governing committee is to enforce proper compliance with the resolution until it is repealed.

Because of the release from regular employment of many former field men, the number of those soliciting work as independent adjusters has increased. A few of these men are qualified and the committee, he stated, is opposed to a monopoly in adjustment work. There are many independents who are a credit to the business and deserve a reasonable measure of support; others should never be patronized.

Although the W. U. A. exercises jurisdiction only over certain classes of business, every dollar disbursed by the companies represented by members

(CONTINUED ON LAST PAGE)

Appraisal Issue Is the Big One

Some of the High Lights in Western Underwriters Association Meeting

SEPARATION FOR CITIES

Claim Made in the Excepted Centers, the Organized Companies Are Unfairly Treated

By GEORGE A. WATSON

NEW YORK, Sept. 26.—Among other assignments given the governing committee at the semi-annual meeting of the Western Underwriters Association at Saranac, N. Y., last week, were two of particular interest: (1) Granting it authority to study matter of separation in the "excepted cities" and (2) to continue negotiations looking to the assumption of control by the association in its field over the related lines of automobile, farm, hail, sprinkler leakage, riot and civil commotion and explosion. The committee is to report its findings and recommendations at the gathering next spring.

Appraisal Issue the Paramount One

As was fully anticipated the issue of outstanding concern was that raised by the recent action of the North America in granting appraisals on certain municipally owned and church properties in Illinois; a practice sharply condemned by President W. D. Williams in his address, and emphasized in the report of the governing committee. Discussion of the question consumed the major part of the initial session of the body; C. R. Tuttle, western manager, made an extended and earnest defense of its position, and submitted a number of letters from prominent assureds voicing their appreciation of such service. The plea of Mr. Tuttle, despite its conceded skill, failed to gain a single convert, members entitled to vote upon mandatory legislation, with the sole exception of the North America's manager, approving the recommendation of the governing committe forbidding use of appraisal service.

Eastern Underwriters Report

While it was evident from conversations in the loby in advance of the meeting that sentiment was preponderately against the practice of the North America, final decision was doubtless influenced through the reading of the report prepared by the arbitration committee of the Eastern Underwriters Association, when the contention of the North America that it was wholly within its rights in extending appraisal service to clients, or prospective ones, was before the governing body of the east last March. The conclusion of the committee handling the subject was that no member

(CONTINUED ON LAST PAGE)

New Organization Forms in Chicago

Inland Marine Syndicate Started with W. C. Eberle as General Manager

HEADQUARTERS IN EAST

Representatives of Leading Companies Join in Project Having Considerable Significance in Business

First steps in organizing a new group in the inland marine field were taken in Chicago last Friday when representatives of a number of companies met to consider a proposal to form the Inland Marine Syndicate.

It was authoritatively stated after the meeting that the organization had been formed, with W. C. Eberle of Chicago as general manager. Headquarters probably will be established in the east.

Eberle Prominent in Field

Mr. Eberle, a well known marine insurance man, at one time was connected with the western department of the North America in Chicago and later with Jones & Whitlock, inland marine brokerage office whose head office is in New York.

The details of organization and identity of participating interests cannot at this time be announced as many phases remain to be worked out.

Cooperate With Other Groups

The Inland Marine Syndicate will work in harmony with similar existing organizations. At first, when the call for the meeting was sent out by Mr. Eberle, it was thought probable that the purpose of the proposed organization would be to serve as a vehicle for reinsurance. This is not the plan, it is said, nor will the syndicate function as a governing body. Details as to its functions will be made known as soon as it has taken concrete form.

Illinois Securities Ruling

Interpreting the new Illinois Securities act, Attorney-General Kerner holds that it does not apply to the sale of life insurance or annuities, but does apply to the sale of insurance company stock.

Where an insurance company is organized with less than 25 stockholders, and with no expense for organization, it is exempt from the securities act. However, where there is any expense for organization, or payment made to stock salesmen, the promotion must qualify under the new securities law.

The ottorney-general rules that all promotions in course of organization must comply with the new law, even though they were started before the new law took effect. Sales of stock already made will not be affected, but new sales must be in compliance with the provisions of the new law.

Union of Indiana Report

The Indiana department has made its report on the examination of the Union of Indianapolis, organized in 1849, as of June 30. Its assets are $593,801, of which $71,643 is cash. It has $29,776 in U. S. bonds, $61,306 in state and municipal, $50,163 in land bank bonds, $71,532 in railroads, $85,816 in public utilities. Its mortgage loans are $64,760. Its agency balances are $91,349. The premium reserve is $214,583, contingency reserve $30,000, capital $200,000, net surplus $74,276.

Sharp Issue Up in Ohio on Federal Union Action

President H. L. Meek of the Ohio Association of Insurance Agents gives information about the mandamus proceedings brought by the Federal Union Fire. He says:

At the organization meeting on Sept. 26 of the trustees of the Ohio Association of Insurance Agents, it was unanimously agreed that the following statement of fact should be given to the press regarding the mandamus proceedings brought by the Federal Union in its efforts to establish Johnson & Higgins as local agents in Ohio:

"At an executive session of the agents attending the annual convention of the Ohio Association of Insurance Agents the whole history surrounding the efforts of Johnson & Higgins to establish themseives as local agents in Ohio was reviewed in connection with the present mandamus proceedings in the Ohio Supreme Court brought by the Federal Union, one of the companies of the Royal, Liverpool & London & Globe group.

Star Brought Suit in 1927

"In view of the fact that a similar suit wac filed in 1927 by the Star, another of the same group, on almost the same identical issues, which was rejected by a unanimous decision of the supreme court of Ohio, the agents at the Marion meeting concluded that serious consideration should be given to the attitude of the management of this group and its cooperation with a brokerage concern in its efforts to break down the established order of agency operations in Ohio.

"The past activities of Johnson & Higgins in Ohio, particularly in their relationship to the insurance department were reviewed at length, as well as the arguments presented by H. T. Cartlidge, assistant United States Manager, to a group of agents which met with him in Columbus several weeks prior to the date of the Marion meeting. The reasons stated by Mr. Cartlidge for the action of his group in bringing this suit did not convince the agents present at that meeting of the sincerity of the management of these companies in their statement that they were bringing this suit in the interests of Ohio agents. Mr. Cartlidge's offer to have Johnson & Higgins' Ohio operations subject to a bond has created the impression that this group is willing to go to most unusual lengths to obtain special privileges for brokers, and as signifying a most unusual relationship between this group of companies and the brokerage concern.

Position of the National Body

"One of the points stressed by Mr. Cartlidge was that the general counsel of the National Association of Insurance Agents agreed with their position, whereas the National association has taken no official cognizance of the case, is not yet in it in any way, and its general counsel has let it be known that that organization expects the Ohio agents to maintain their resident agency laws.

"Mr. Cartlidge also stressed the fact that in Michigan a similar situation to that which exists in Ohio exsted several year ago, but that the agents there were forced to support a program whch eventually changed the laws. It is now pointed out that there is no parallel between conditions in Michigan at the time referred to and conditions in Ohio. For many years past (and at the present time) foreign brokers have been permitted to transact business in Ohio under a foreign broker's license law which permits them to place their business with resident local agents as in many other states.

Gist of the Michigan Law

"The Michigan law which was objectionable prohibited foreign brokers from placing business or securing a commission on business in that state. Such a condition has never existed in Ohio, and basing their opinion upon Mr. Cartlidge's own statements of what they desre to accomplish the agents are convinced that Johnson & Higgins or any other brokerage concern can under existing laws carry on legitimate brokerage activities in Ohio without violation of any law or regulation. Because of the persistence of the management of this group in its efforts to bring about conditions which will permit foreign brokers to act as both local resident agents and foreign brokers and thus thoroughly demoralize the local agency situation, the agents of the state have come to the conclusion that this company desires to place local agents, in-

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THE WEEK IN INSURANCE

Interesting report is made to the Western Underwriters Association by the committee on cooperation in **loss adjustment practices.** Page 3

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Some of the features that will be presented at the convention of the **National Association of Insurance Agents** in Chicago the week of Oct. 9. Page 5

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The **National Association of Mutual Insurance Agents** holds meeting in Columbus. Page 6

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Information is given of the **inland marine policy** devised by the Chicago Association of Commerce. Page 3

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It is anticipated that movement will be made in legislatures to impose a tax on **London Lloyds'** operations. Page 32

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Some facts regarding the recent tornado loss in the **Rio Grande Valley, Tex.** Page 14

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Aetna Life will reduce its volume of insurance other than life reverting to the Aetna casualty lines other than accident. Page 31

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C. R. Street of the Great American gives analysis of the master's report in the **Missouri rate case** before the federal court. Page 5

Secretary J. A. Millener of the International Association of Insurance Counsel points out the danger of dealing with **unauthorized companies.** Page 33

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Merton L. Brown speaks at White Sulphur Casualty meeting on companies and the depression. Page 31

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Program is announced for the annual meeting of the **Indiana Association of Insurance Agents.** Page 18

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Some of the aftermath of the semi-annual meeting of the **Western Underwriters Association,** bringing out its action on company appraisals. Page 5

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Annual meeting of the **Insurance Advertising Conference** was held at Briarcliff, N. Y. Page 4

* * *

August loans reported by the Reconstruction Finance Corporation. Page 14

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Physicians Protective Casualty of Indianapolis is taken over by the Mutual Benefit Health & Accident. Page 38

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Program is announced for the annual meeting of the **Pennsylvania Association of Insurance Agents.** Page 11

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Program is announced for the annual meeting of the **Michigan Association of Insurance Agents** at St. Joseph, Mich., next week. Page 14

Putnam New Head of Ad. Conference

Election and Change in Constitution Mark Annual Meeting at Briarcliff

GROUP PLAN IS DROPPED

All Branches of Insurance to Work Together—Three Classes of Membership

NEW OFFICERS

President—Henry H. Putnam, John Hancock Mutual Life.
Vice-President—Clarence Palmer, North America.
Treasurer—A. H. Reddall, Equitable Life of New York.
Executive Committee—J. E. D. Benedict, Metropolitan Life; Frank Ennis, America Fore; A. W. Spaulding, Hartford Accident, and Stanley F. Withe, Aetna Casualty & Surety.

By DOROTHY PAUL

BRIARCLIFF LODGE, N. Y., Sept. 27. —Election of officers concluded the sessions of the Insurance Advertising Conference here Monday. The business session Monday morning opened with the report of Stanley Withe, Aetna Casualty president, who advocated the employment of a full time salaried secretary on a permanent basis because of the increasing volume of conference activities. Other recommendations Mr. Withe made were for a speakers bureau to supply speakers on subjects connected with insurance advertising for various organizations to promote a better understanding of the subject. He also recommended a research bureau to survey the possibilities of carrying an investigation into the field of insurance advertising similar to that of the Association of National Advertisers.

Another recommendation was for a change in the constitution to discontinue the separate organization of life and fire-casualty groups and restore the form of organization to that in existence prior to the Toronto meeting.

Reports Are Read

The report of Secretary S. P. Ward revealed the interesting fact that with the recent separation in the conference the members who resigned comprised slightly less than one-third of the total of the life group membership.

By unanimous consent the members sent a telegram to Chauncey S. S. Miller, expressing regrets that he was not with them owing to his serious illness. Henry H. Putnam, chairman, standards of practice committee, in his report brought out points that a group of companies has arisen which by means of radio and direct mail advertising solicit business through magazines and newspapers in states in which they are not licensed.

Thomas J. V. Cullen, editor of the "Spectator," discussed insurance advertising and its gospel of protection. He pictured insurance as a trinity composed of the public, the corporate company and the agent.

Advice from an Expert

William S. Crawford, insurance editor, New York "Journal of Commerce," discussed insurance newspaper publicity. He pointed out practical methods of obtaining this. An important factor in successful advertising is not only pictures and attractive set-ups, but actual news concerning the companies and individuals. It is up to the pub-

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Favorable Report on Missouri Case

W. U. A. Is Told Master's Findings Validate Companies' Fundamental Position

ANALYSIS IS PRESENTED

Many Points Covered in Latest Report in Connection with Famous Rate Litigation

Analysis of the master's report in the Missouri rate case before the federal court was presented at the meeting of the Western Underwriters Association by C. R. Street, in his capacity as chairman of the subscribers' actuarial committee. The analysis shows that the report is favorable to the companies in all material respects. The particular case upon which the report was submitted was that of the American of Newark but the conclusions were general. The analysis was prepared by the law firm of Hicks & Folonie.

The master finds the technical jurisdictional questions respecting the amount involved and similar questions to be as asserted by the companies.

Respecting the five year period adopted, the master says: "It is a reasonable test period by which to compute rates for the future." Furthermore the master states that in mass calculation covering the five year period, it would be impractical to make such calculations, policy by policy, and under the evidence the method employed by the insurance companies is sound and reasonably accurate.

Makes an Analogy

"It is not unusual practice in lines of business other than fire insurance," the master says, "for accountants to set up profit and loss statements, eliminating from the business of the year advance collections for goods to be delivered during the succeeding year which is eliminated from income of the year and until shipments are actually made, and taking unearned prepayments at the beginning of a period, add sales thereto for the period and deduct undelivered sales existing at the end of the period. Such method is used for the same purpose as the earned and incurred method employed by insurance companies."

The general scale of commissions, according to the master, is reasonable and not excessive.

No one company or either the Western Underwriters Association and Western Insurance Bureau is powerful enough to change the commission scale prevailing in the St. Louis vicinity without taking a grave risk of seriously injuring the business of the companies adopting the change, the report asserted.

Commissions Reasonable

It was reasonably necessary that the companies pay the commissions that were paid during the test period, he added.

The deviation between loss estimates and the amount ultimately paid is within the range of about 8/10 of 1 percent of the amount of the incurred losses for the period, the master found.

The incurred losses and expenses are the true liabilities of the company, he said.

The earned premium method is commonly used by fire companies but whether the employment of such a method of calculating profit and loss is held to be a question of law and it is

(CONTINUED ON PAGE 24)

Interest in G. & R. Fate with Decision in Suspense

MAY HAVE A LARGE SURPLUS

R. F. C. Stand on Preferred Stock Is Key to Future of Jameson Company

NEW YORK, Sept. 27.—What the future holds for the Globe & Rutgers is as uncertain today as it was when the company was placed in the hands of G. S. Van Schaick, superintendent of the department, as rehabilitator last March 24. Rumors there are in plenty. What has been authoritatively announced is that the Tri-Continental Corporation of this city has secured an option on the 53 percent of the G. & R. stock held by E. C. Jameson, its president, at a reputed price of $57 per share. The option, which expired Sept. 25, has been renewed to enable continuation of negotiations. Acceptance of the proposition by the Tri-Continental Corporation, an organization sponsored by the local banking house of J. and W. Seligman & Co., is conditioned upon the willingness of the Reconstruction Finance Corporation to accept preferred stock of the Globe & Rutgers in exchange, wholly or in part, for the collateral it holds for the $10,000,000 loan made the company some time ago.

Securities Have Doubled

As the securities turned over to the R. F. C. constituted the finest held by the company, the understanding is that they have greatly appreciated in value since the market upswing of the past few months and that their saleable worth today is in the neighborhood of $20,000,000. Should the R. F. C. administration be amenable to the suggestion submitted it, and upon which conferences have been held by interested parties, including representatives of the insurance department, both here and in Washington, and turn over to the company sufficient funds to insure not only its complete solvency after discharging all accumulated loss and return premium claims, but supplying a working surplus of several millions as well, the department would automatically surrender its control, and the company return to an independent management.

Jameson Would Retire

The willingness of President Jameson to sell his controlling interest in the corporation to the upbuilding of which he devoted the best years of his life, means that he is reconciled to retiring from the insurance business. There is no foundation in fact for the widely circulated reports that this, that and the other erstwhile important figure in the fire insurance firmament has been approached with a view to assuming the direction of the Globe & Rutgers affairs, assuming that the deal with the Tri-Continental be consummated. It is a fact that in discussions by the committee conducting the negotiations a number of names were jotted down as possibilities for the presidency, but this was done in a general way only, and without thought of making serious approach to anyone until new ownership of the corporation was assured. Meantime the department continues in charge and intends doing so until a definite move looking to its retirement is consummated and is given approval by the court.

Option of the Tri-Continental Corporation to buy Mr. Jameson's 30,000 shares of Globe & Rutgers stock at $57, which expired Sept. 25, has been extended for an additional two weeks.

S. A. Salmon, former manager of the insurance department of the Aetna Savings & Trust Co., Indianapolis, has gone with the Indiana Lumbermen's Mutual.

Some of the Features of the Forthcoming Meeting

TO DISCUSS LIVE SUBJECTS

National Association of Insurance Agents Convention Will Have Interesting Subjects for Consideration

NEW YORK, Sept. 27.—"Modern Insurance Trends" will be given considerable attention at the convention of the National Association of Insurance Agents at Chicago during the week of Oct. 9. A. J. Smith, of the New York City agency of Zweig-Smith & Co. and secretary of the Association of Local Agents of the City of New York, will speak upon late developments in inland marine insurance. Another feature of this program will be an address on fluctuating contents values by J. S. Glidden, manager of the Chicago Board. The advisability of companies and agents furnishing appraisals will be dealt with by another speaker, while Howard Campbell, of R. B. Jones & Sons, Kansas City, will talk on use and occupancy covers, particularly with respect to the adjustable form recently put forth by certain reciprocals.

Workmen's Compensation Covers

That part of the program devoted to workmen's compensation insurance will be divided into two portions; the first, discussing the servicing of small risks, to be led by F. J. Ney of F. L. Gray Co., Minneapolis, and the second, dealing with the proper servicing of large risks, led by Cruger T. Smith of Dallas.

The highly important question of the NRA code will be submitted at the afternoon session on Oct. 11. Chief A. R. Forbush of the correspondence division of the NRA notified Secretary W. H. Bennett, of the National association that a hearing upon a code of fair competition for insurance agents would be held in Washington, somewhere about Nov. 1, thus permitting full prior consideration of the subject during the convention.

May Use Branch Offices Instead of Fighting Them

PHILADELPHIA, Sept. 27—Instead of fighting branch offices, local agents may use them, according to talk among men who have been leaders in the attack on the company office system. The change of heart is due to the hard times. Agency overhead goes on, although premiums may drop. The argument is that by becoming brokers, the agents would transfer the expense burden to the companies, and have their net commissions as velvet.

That is the argument that is heard more and more. Agents no longer make money except on direct business. Brokers require expensive service. They are not all good pay. Some collect from the assured and fail to pay the agent. The agents are finding that they are making less out of their business than the net commission on their direct risks.

A broker is catered to. He has few responsibilities. Payrolls and rents do not worry him. Collections are a minor trouble, for the reason that all the broker has at stake is a commission. He even has an easier collection problem than the agent, because he can carry a message from the company that the premium must be paid or the policy canceled. The curse of the threat is taken off his shoulders. Many assureds will pay if they have to, but an agent, operating on his own, hesitates to put on the pressure. A broker is almost care free. He can carry a message and get the money, and then the commission is his.

The Christie Agency, Bergenfield, N. J., has been incorporated by J. A. Snoden, William Hiller and Clyde Christie.

Expect Appraisal Issue to Subside

Crisis in Affairs of W. U. A. Now Seems to Be About to Quiet Down

LEGISLATION MODIFIED

Rules of Association on Subject Are Identical With Those of Eastern Underwriters Association

With the enactment of legislation at the Saranac Inn meeting of the Western Underwriters Association prohibiting the furnishing of appraisals by member companies, members anticipate that the issue, which has been of critical importance for several weeks, will subside. There is general respect for the high principles, which actuated the North America in championing the appraisal idea, although all other companies do not subscribe to the reasoning of the North America and take issue with its conclusions.

The legislation, which is identical with that which has been on the books of the Eastern Underwriters Association for several years, reads: "The supplying or furnishing of appraisals of property by a member company to an agent or broker, or to the owner or his agent, or reimbursing an agent or broker for same, is prohibited.

"Members moreover are reminded that such action is in violation of the anti-rebate laws."

Substitute Legislation

This legislation was less comprehensive and drastic than the legislation which was proposed in a resolution of the governing committee the opening day of the convention. That legislation was worded in such a way as to close all possible avenues by which estimates of value could be given the assured. It would have prohibited field men, special representatives, companies, local agents from providing such a service. Also the words "to influence the placing of business" were included.

After this resolution was submitted, C. R. Tuttle, western manager of the North America, was given permission to make a statement. He thereupon proceeded for 40 minutes to read a written statement, with interpolations from time to time. Mr. Tuttle covered the ground thoroughly and although he expressed opposition to legislation of any kind prohibiting appraisals, he said that the resolution which had just been proposed was particularly offensive. The membership apparently sympathized with some of Mr. Tuttle's criticism of the resolution in question and a proposal was offered to amend it. However, there was parliamentary objection to this procedure and a motion prevailed to defer action on the question until the next day. At that time the eastern resolution was adopted without further discussion. Mr. Tuttle communicated with his home office, but made no comment afterward.

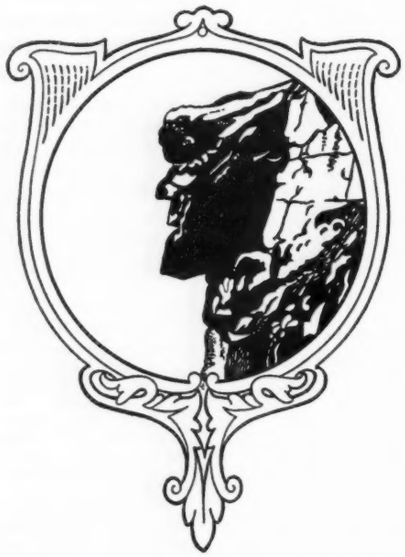
E. U. A. Agreement

It seems that prior to the passage of the appraisal legislation in the Eastern Underwriters Association, there was an agreement with the North America that the E. U. A. would not interfere with that company's appraisal service. There has been no such agreement with the North America in the west.

If this agitation over the appraisal question has established nothing else

(CONTINUED ON PAGE 24)

NEW HAMPSHIRE FIRE INSURANCE CO.
MANCHESTER, N.H.



Statement June 30, 1933

Surplus based on Market Quotations of June 30th, 1933, as filed with New York Insurance Department.

Assets

United States Bonds	$ 3,291,765.63
Canadian Bonds	252,400.00
Other Bonds and Stocks	10,837,151.78
Real Estate	362,750.00
Agents' Balances	747,118.73
Accounts Receivable	228,183.97
Cash in Banks and Office	415,780.25
	$16,135,150.36

Liabilities

Unearned Premium Reserve	$ 4,373,596.18
Reserve for Losses	612,100.08
Reserve for Taxes and other Liabilities	303,925.00
Reserve for Dividends declared and unpaid	120,000.00
Special Reserve	200,000.00
Contingency Reserve	1,735,000.00
Capital Stock	3,000,000.00
Surplus	5,790,529.10
	$16,135,150.36

NOTE: The contingency reserve of $1,735,000.00 represents the difference between the market quotations of bonds and stocks as of June 30th, 1933, and the values carried in the assets in this statement.

AFFILIATED COMPANY

Granite State Fire Insurance Company

Portsmouth, N. H.

Annual Meeting by Mutual Agents

Contingent Liability and Assessable Feature in Policies Create Interest

OFFICERS ARE REELECTED

Wiley Urges Establishment of Mutual Rating and Inspection Bureaus—Jackson Talks on Advertising

Nearly every phase of mutual insurance, from the soliciting and writing of a policy to the payment of premiums and claims, was discussed at the second annual meeting of the National Association of Mutual Insurance Agents held in Columbus, O. There was a large attendance. The convention next year will be held at Hot Springs, Va.

Chief interest in the discussions seemed to center around contingent liability, assessable and non-assessable policies, the dividend as a selling feature and advertising. Much attention also was given to agency and direct-selling of insurance.

Some who favored non-assessable policies said that among some people the assessment feature is looked upon as a catch. Others held that the assessment is the basic feature of mutual insurance and that it provides stability and assurance that claims will be paid.

Majority Favor Deducting Dividend

Most of the delegates seemed to favor deducting the dividend from the premium, rather than the writing of a dividend check. One of the arguments against the check is that it is more expensive with a government tax on checks. It also was claimed that some policyholders, upon receiving a dividend check, spend it and then delay the paying of the premium when payment is due.

One of the speakers, a company representative, who said that the companies are especially desirous of ascertaining the views of the agents on this question, told how a dividend check had sold $100,000 of insurance.

C. L. Wiley, manager of the Maryland Rating & Inspection Bureau, Baltimore, told of the operations of his bureau and urged the establiishment of a mutual rating and inspection bureau in every state.

W. E. Jackson, advertising manager Grain Dealers National Mutual Fire, Indianapolis, discussed advertising. He told of the various forms of advertising media, praised trade journals and house organs.

The association, by a unanimous vote, approved the national advertising campaign that is being carried on by the American Mutual Alliance.

At the annual banquet, the speakers were Judge C. V. Weygandt of the Ohio supreme court, and C. M. Purmort, president Central Manufacturers Mutual of Van Wert.

The old officers, with a few changes, were reelected, it being thought best to continue in office the men who had launched the association and guided its activities during the first year. The officers are: President, A. R. Peters, Washington, D. C.; vice-presidents, E. V. Thompson, St. Louis; C. C. Jennings, Baltimore; Fred Reuning, Bristol, Va.; secretary, E. I. Oakes, Washington, D. C.; treasurer, J. T. Burke, Alexandria, Va. Directors are: J. F. Minor, Charlottesville, Va.; Fred Ballou, Norfolk, Va.; C. B. Jenkins, Charleston, S. C.; Russell Davis, Columbus; Bryson Thompson, Hartford, Conn.; M. F. Mehling, Cleveland; K. G. Potter, Waynesboro, Pa.; G. B. Edwards, Montgomery, Ala.; Dudley Kinkade, St. Louis.

Plans are being worked out to organize a state association in virtually every state.

C. M. Purmort, Van Wert, captured the trophy in the golf tournament held in connection with the convention.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 25

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.....	10	1.60	48	50
Aetna Fire	10	1.60	31	33
Aetna Life	10	...	19	20
Amer. Alliance..	10	1.00	13	15
American, N. J..	2.50	.50	8	9
Amer. Surety....	25	...	19	21
Automobile,Conn.	10	1.40	18	19
Boston 100		16.00	460	480
Carolina	10	1.00	14	16
City of N. Y....100		7.50	134	138
Conn. General...	10	.80	28	30
Continental As..	10	2.00	26	28
Continental Cas.	5	...	10	11
Continental Ins..	2.50	1.20	27	28
Fidel.-Phenix ...	2.50	1.20	27	28
Fireman's Fund.	5	3.00	52	54
Fireman's F. Ind.	10	...	21	22
Firemen's	5	...	4	5
Franklin Fire...	5	1.00	16	18
Glens Falls	10	1.60	27	29
Great Amer. Ind.	1	...	4	5½
Great American.	5	1.00	15	17
Hanover	10	1.60	24	26
Harmonia	10	.50	15	17
Hartford Fire ..	10	2.00	43½	45
Hartford St. B..	10	1.60	47	49
Home, N. Y.....	5	1.00	18	19
Home F. & M...	10	2.00	24½	28
Ins. Co. of N. A.	10	2.00	40	42
Maryland Cas...	2	...	2¼	2¾
Mass. Bonding..	25	...	13	15
National Cas. ..	10	...	5	6
National Fire ..	10	2.00	43	45
National Liberty	2	.10	4½	5
National Union..	20	...	60	65
New Amst. Cas.	5	1.20	12	14
New Brunswick.	10	.50	16	18
North River.....	2.50	.60	16	17
N. W. National..	25	.50	82	86
Occidental	10	...	15	18
Pacific Mutual..	10	2.00	24½	26½
Phoenix, Conn...	10	2.00	57	59
Prov. Wash.	10	.80	21	23
Sprgfld. F. & M.	25	4.50	83	85
St. Paul F. & M.	25	6.00	113	117
Sun Life 100		...	380	410
Travelers 100		16.00	390	400
U. S. Fire.....	4	1.20	29	31
U. S. Fid. & G..	2	...	3¾	4¼
Westchester.....	2.50	1.00	18	19

Will Purchase Chicago General Agency

The undersigned has a client who desires to purchase either a Chicago fire general agency, a casualty general agency or one writing both fire and casualty insurance.

Buyer is in position to make a substantial cash payment. All replies will be held in the strictest confidence but must give full details.

Write or phone

Arthur J. Utter
Certified Public Accountant
A2142 Insurance Exchange Bldg.
Chicago, Illinois.
Wabash 9384

Audits Investigations
FERGUSON, SERLING, DANIELS & PORTER
ACCOUNTANTS AND ACTUARIES
102 Maiden Lane, New York, N. Y.
Organization Management

VIEWED FROM NEW YORK

By GEORGE A. WATSON

REACTION TO W. U. A. MEETING

Company executives in the east here as always, followed closely the action taken by the Western Underwriters Association, the territory supervised by the organization being one of the heaviest premium producing sections of the country. Gratification was expressed when eastern men learned of the refusal of the western body to sanction the granting of free appraisals, such decision being in line with that taken in the same connection by the Eastern Underwriters Associaton six months ago. When the latter body was formed in 1926 it was definitely understood that the various rating bureaus under its jurisdiction would be equipped to render complete engineering service, relieving thereby individual member companies of the expense of maintaining engineering staffs. The North America however protested its right to make appraisals before the association, which referred the question to the arbitration committee. In an extended report it denied the contention of the company, despite the ability with which the position of the latter was argued by its official representatives.

That the Western Underwriters Association contemplates assuming complete jurisdiction over the automobile line throughout its jurisdiction is not believed by eastern company officials; the latter having pointed out in times past the rating of motor cars must be predicated on a nationwide experience. The automobile manufacturers have made it very plain to the underwriters that they would not deal with sectional committees in the consideration of general problems, but would insist upon contacting with a central authority. In the minds of company chiefs nothing would be gained by granting autonomous government to the west, the territory now being largely under the advisory control of Chicago managers, who have power to enforce whatever rules the National association may agree upon.

* * *

STUDY OF BRANCH OFFICES

The special committee of the National Association of Insurance Agents assigned to study the branch office situation met at the New York headquarters last week. A questionnaire was sent to companies asking for an expression of opinion on the subject and these were carefully studied. A synopsis of these reports together with comment will be submitted at the annual convention in Chicago the week of Oct. 9. Those attending the meeting were H. E. McKelvey, Pittsburgh, chairman; H. B. Nelson, Jersey City; K. H. Bair, Greensburg, Pa.; W. C. Chase, Philadelphia, and Secretary W. H. Bennett.

* * *

NEW YORK ACCOUNTANTS ELECT

V. L. Whitten, Massachusetts Bonding, has been elected president of the New York City Insurance Accountants Association. H. Gardner, Employers Liability, was chosen vice president; R. Clark, American Automobile, secretary and treasurer.

* * *

TAX MAY BE RESISTED

Tammany Hall's proposal to dip into the surpluses of fire companies by means of a substantial asset tax showed no sign of weakening at the public hearing before Mayor O'Brien Monday. The measure awaits only his signature to become law.

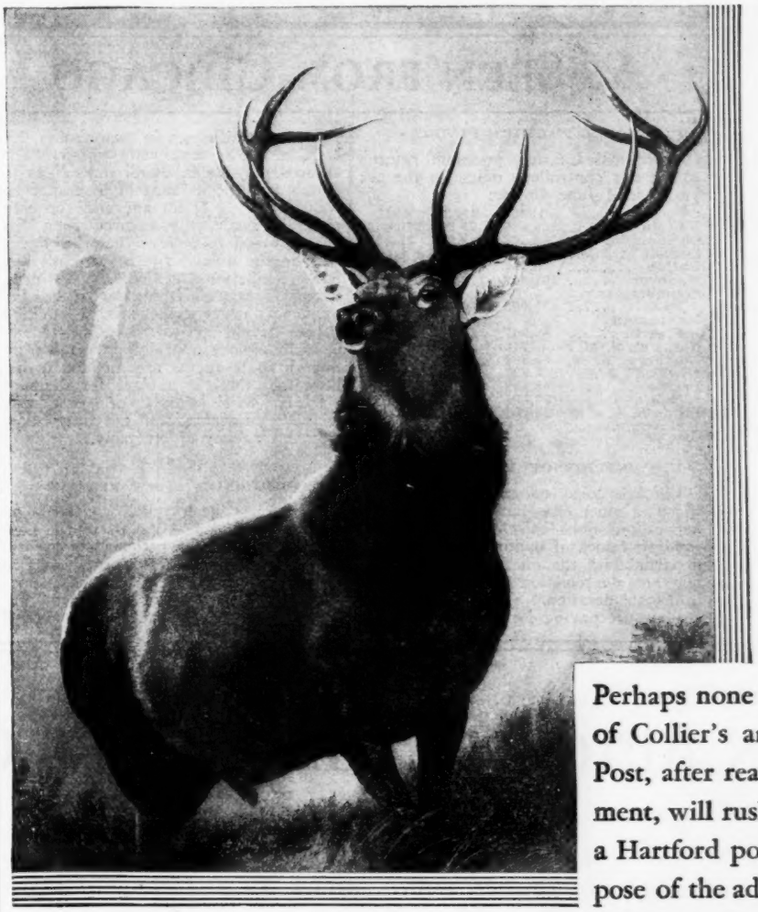
J. H. Doyle, general counsel, National Board of Fire Underwriters, spoke briefly in opposition to the bill, but it was apparent that the mayor's mind was made up in advance. Mr. Doyle spoke at greater length at the previous hearings, before the board of estimate and the board of aldermen.

Steps to attack the legality of the tax legislation will presumably be taken as soon as the mayor has signed the bill. So far the principal ground of attack is the validity of the legislation by which the state empowered the city to impose special taxes for unemployment relief.

* * *

TWO MARINE OFFICES MERGE

The agencies of William H. McGee & Co. and Harold Jackson Company of New York City have been consolidated at 111 John street. This brings together two esteemed offices. Mr. McGee has been in active insurance work for 50 years or so and is an acknowledged authority on marine insurance. He entered the marine department of the Providence Washington in 1884 at the head office and three years later went to New York as its agent for marine business. That connection remains unbroken. His agency acquired other companies and it soon occupied a high position among the marine offices. Mr. McGee was president of the National Board of Marine Underwriters. He served as deputy chairman of the American Hull Underwriters Association. He was secretary of the American Institute of Marine Underwriters for 13 years and its president for two years. He has been a member of the American committee of Lloyds register of shipping since it was formed



Perhaps none of the five million readers of Collier's and The Saturday Evening Post, after reading a Hartford advertisement, will rush to his agent and demand a Hartford policy — that is not the purpose of the advertising. It creates acceptance, not demand — acceptance of the Hartford's 123 year record, acceptance of its financial strength and, with these, acceptance of the agent who offers Hartford protection. The Hartford stag on an agent's walls and on the policies he delivers fit into this plan of creating acceptance — of making his selling easier.

HARTFORD FIRE
INSURANCE COMPANY
HARTFORD • CONNECTICUT



in 1916. He served as deputy chairman and is now its chairman.

Mr. Jackson is an Englishman by birth and served in the British aviation corps during the war. He entered the McGee firm in August, 1919, retiring as its vice president to organize his own agency, the Harold Jackson Company in May 1930. He takes the Camden and Anchor to the McGee firm. He has long been recognized as one of the leaders in the marine field.

* * *

APPROVE COMMITTEE REPORT

In addition to the departments of New York, Connecticut and Indiana those of Alabama, California, District of Columbia, New Jersey, North Carolina, Texas and Wyoming have now given official approval of the agreement prepared by a joint committee of underwriters interpreting the insuring powers of marine transportation offices as defined by the National Convention of Insurance Commissioners. Several other states have written Superintendent Van Schaick, chairman of the committee on the subject, inquiring as to the exact application of certain of the definitions.

* * *

TO LISTEN TO WORLD SERIES

In accordance with its established custom, the North British and Mercantile group will again play host to several hundred brokers and agents at its club rooms at 85 Ann St., New York City, where they may listen in comfort to the play-by-play broadcast of the world series baseball games. Invitations have already been mailed out by Secretary Charles Weller, who has planned some novelties for this occasion.

* * *

EFFECT OF NEW TAX LAW

Because of the retaliatory laws of other states, New York City's asset tax program, which needs only Mayor O'Brien's signature to become law, may force fire companies incorporated in New York to go to another state, as was threatened by the Stock Exchange, Ernest Sturm, chairman America Fore companies, declared at a meeting of the New York state chamber of commerce, called to protest against the proposed taxes. The chamber later passed a resolution condemning the levies.

"If this law is passed and the various states that are all seeking additional revenue should put these retaliatory laws into force, it would mean either one of two things," said Mr. Sturm. "Either the fire companies incorporated under the laws of New York would have to go out of business or they would have to go to another state, because in that event the New York companies that incorporated in another state would only pay this tax in New York but would not pay it in the other 47 states. I hope that this chamber will do everything possible to defeat this bill. It is atrocious; it is not necessary, because there are other means within the power of the city to make itself sound and self sustaining."

Mr. Sturm called attention to the danger of such taxes setting a precedent which might mean it would later be applied to many other lines instead of only a few as proposed at present. He also contrasted the usual attitude of cities in trying to attract businesses with that of New York.

AS SEEN FROM CHICAGO

CHICAGO PREMIUM FIGURES

Additional Chicago premium returns to the city controller's office for the tax year ended June 30 are:

	1933	1932	1931
Buffalo	$ 65,665	$ 79,391	$100,386
Caledonian	96,562	98,987	155,633
Detroit F. & M.	67,072	72,926	88,722
Fulton	5,374	6,280	9,460
Hanover	102,943	113,672	118,415
*Lumbermen's, Pa.	33,005	55,745	51,512
Manhattan F. & M.	30,907	27,246	43,174
Nat. Petrol. M.	240	813	2,221
Northern, N. Y.	83,604	86,236	115,890
*N. W. F. & M.	6,723	14,825	29,916
Pacific	68,399	65,048	93,797
*State of Pa.	34,881	50,988	121,914
Union F. A. & G.	16,701	.....	.....

*Incomplete.

* * *

QUESTION OF VALUES UP

Chicago local agents and doubtless those in other cities are having a number of questions raised these days regarding values of buildings. In case of a partial loss the question arises as to whether depreciation should be taken into consideration. Companies so far seem to be paying for repairs on a full value basis although in many cases this is regarded as manifestly unfair. The assured may be in doubt himself as to values and the amount of insurance he should carry. If an appraisal or estimate is made, the assured then has every reason to believe that this figure will be the official one in case of loss. When inflation seemed to be near, values of tangible things went up and there was every evidence that building values would arise. Seemingly company or agency appraisals are taboo although some agents are inclined to believe that there is a place for them or at least there should be some way whereby an assured can get an estimate from his agency or company.

* * *

COMPANIES MUST REPORT

There has been much confusion in the minds of class 1 agents of the Chicago Board as to whether they are required to report delinquent class 2 agents and brokers where they have supervision to the Illinois department. Insurance Superintendent Palmer issued an order to companies requiring them as of Oct. 1 to report all delinquent agents and brokers who are owing premiums over 90 days. The letter was directed to companies and not to general agents or supervising offices. Insurance Superintendent Palmer in clarifying the decision states that companies alone are required to make the report. The attention of companies that have supervising agents dealing with brokers and sub-agents was called to the order so that their report to the department might be complete. He says, "It is my idea that we will not require reports from class 1 agents or, in fact, any agent but will hold the companies responsible. If any company has a supervising agent who is dealing with sub-agents or brokers who are delinquent, it should file information with the company for report to the department or the supervising agent may report if the company so desires. However, it is entirely the responsibility of the company as far as the department is concerned to make a complete report."

* * *

HARMONY IN OIL FIELD

It is thought that following the meeting of the Western Underwriters Association there will be more harmony in the oil insurance field. As is known, the Oil Insurance Association is the commanding figure in this business. There are independent groups writing oil and there has been more or less conflict as to rates and practices. This grew so strenuous that the companies foresaw danger unless it was checked. At the W. U. A. meeting at Saranac, it was agreed that the Western Actuarial Bureau should prepare the oil schedules for all comers.

* * *

TO CONTINUE THE COURSES

Arrangements have been made in Chicago through a special committee composed of Benjamin Richards, manager Underwriters Service Association, A. T. Graham, J. A. Neale, chief engineer,

AMERICAN AUTOMOBILE INSURANCE COMPANIES

SAINT LOUIS

Offer the facilities of Branch Office service for the convenience of AGENTS and BROKERS at the following strategic locations, each servicing surrounding territory:

BOSTON
Boston Insurance Exchange,
WILFRED J. PAQUET, *Manager*

CHICAGO
A2123 Insurance Exchange, South,
C. M. KINNEY, *Resident Vice-President*

COLUMBUS
513 First Citizens Bldg.,
R. I. TAYLOR, *Manager*

DETROIT
1717 First National Bank Bldg.,
R. Z. ALEXANDER, *Manager*

INDIANAPOLIS
210 Continental Bank Bldg.,
M. W. DOYLE, *Manager*

LOS ANGELES
200-724 South Spring St.,
D. R. SESSIONS, *Resident Vice-President*

MILWAUKEE
212 W. Wisconsin Ave.,
C. M. LATTA, *Manager*

NEW ORLEANS
1227 Hibernia Bank Bldg.,
J. J. GREVEMBERG, *Manager*

NEW YORK
21st Floor, 90 John St.,
R. S. CHOATE, *Resident Vice-President*

PHILADELPHIA
Manhattan Bldg., 4th and Walnut Sts.
J. R. HUGHES, *Manager*

SAN FRANCISCO
301 Adam Grant Bldg.,
GEO. E. ADAMS, *Resident Vice-President*

SEATTLE
518 Skinner Bldg.,
J. R. LAWSON, Manager

INSURANCE ON AUTOMOBILES EXCLUSIVELY

SINCE 1911

Chicago Board, and E. M. Ackerman, secretary Insurance Federation of Illinois, for continuing certain of the courses of the Insurance Institute of America.

It is proposed to conduct parts 2 and 3 of the fire insurance branch. Part 1 is not to be given this year, although new students desiring to enroll will be accepted to start with part 2. Plans have been made to also conduct classes in part 1 of the casualty course if a minimum of twenty students are enrolled.

The fire insurance classes are expected to commence about Oct. 15, and the casualty classes early in November. The regular registration fee of $10 is charged for each course, which includes the $2.50 fee for the institute examination costs. All details regarding enrollment and copies of the Insurance Institute Syllabus can be obtained upon application to Miss Martha Holmes, librarian, Chicago Board, 2132 Insurance Exchange, Chicago.

E. R. Hardy, secretary of the Insurance Institute, while in Chicago last week arranging with the special committee to continue the courses, announced that there is a large enrollment in all parts of the country this year for the courses.

* * *

WESTERN BUREAU MEETING

The Western Insurance Bureau will hold its fall meeting Oct. 24-26 at French Lick Springs, Ind.

NEWS OF FIELD MEN

Changes By Great American

Worthington Smith Goes to Home Office —Succeeded in Connecticut by McNab —Pennsylvania Transfers

Worthington Smith, special agent for the Great American and American National Fire in Connecticut, has been transferred to the home office in New York. He is succeeded by A. S. MacNab with headquarters at 36 Pearl street, Hartford. Mr. MacNab has been with the Great American group for some years and lately has been traveling for other companies in the fleet. He will retain these in addition to the Great American and the American National Fire.

C. O. Markle, who has been special agent in Pennsylvania for several companies of the group, has been transferred to Allegheny county to be associated with S. M. Wilson, special agent, with headquarters in the Commonwealth building, Pittsburgh. They will handle all the companies of the fleet except the North Carolina Home. T. V. Laird succeeds Mr. Markle in western Pennsylvania and will also have Pittsburgh headquarters. Mr. Laird will represent the Great American, American National Fire and Detroit Fire & Marine.

Arthur Thompson Goes to Texas for the Springfield

Harold Choate has resigned as special agent for the Springfield F. & M. with headquarters in San Antonio. He is succeeded by Arthur Thompson, who has traveled in Wisconsin with headquarters at Milwaukee. Mr. Thompson has been connected with the Springfield F. & M. for several years, having gained experience in the Chicago office before being assigned to Wisconsin four years ago.

Snyder Brothers Reorganize Kentucky, Tennessee Field

LOUISVILLE, KY., Sept. 27.—Snyder Brothers General Agency is reorganizing its Kentucky and Tennessee field forces.

G. R. Carson, who has been in all sections of the Kentucky field for a number of years will office at Louisville and supervise the state west of Louisville. M. T. Hopkins will also have his headquarters in Louisville and supervise eastern and central Kentucky. Mr. Hopkins was one of the first employes of the agency and has been on inside work up to the present time.

In Tennessee F. H. Warren will have headquarters in the Independent building, Nashville, and supervise all agencies west of Chattanooga, including Memphis. Wood Huff with offices in the Burwell building, Knoxville, will have supervision of all agencies from Bristol, Tenn., to and including Chattanooga. Mr. Warren has been an independent adjuster and prior to that was a field man with the Royal and the Aetna. Mr. Huff was formerly a local agent at Knoxville and has had considerable experience in adjusting and field work.

Ward Heads Alabama Field Men—Collections Improved

BIRMINGHAM, ALA., Sept. 27.—W. G. Ward, special agent of the Fireman's Fund was elected president of the Alabama Fieldmen's Association to succeed S. W. Biggers, special agent of the Home, at the annual meeting here.

Other officers are: vice-president, Harry Haynes, Hines Brothers; secretary-treasurer, E. H. Matthews, North America, and chairman of the executive committee, W. H. Hackney, Liverpool & London & Globe.

A marked improvement in collections in Alabama were reported under the new balance rules put into effect by the Southeastern Underwriters Association. One special agent reported that where he usually had a dozen delinquents on his books he now has only one. Others were unanimously of the opinion that conditions have improved materially so far as collections of premiums are concerned.

Ohio Blue Goose Meeting

The Ohio Blue Goose will hold its meeting next Monday evening at Columbus. Reports of the grand nest meeting will be made by R. W. Hukill, Fireman's Fund, and Martin Vold, Springfield F. & M. Wielder of the Goose Quill F. W. Ransom by the time of the meeting will have returned from Chicago where he will present some of the big features in his golf games there.

The Ohio field clubs will meet in Columbus Oct. 3.

Church Transferred to Omaha

Gordon Church, who has been traveling northern Illinois for the marine department of the North America, has been transferred to Omaha, succeeding P. B. Weymouth. From Omaha he will travel Nebraska and western Iowa. He has been with the North America about five years.

St. Louis Blue Goose Elects

The new officers of the St. Louis Blue Goose have been installed, they being W. B. Larkin, most loyal gander; J. H. Duvall, supervisor; F. D. Eubank, custodian; R. E. DeHaven, guardian; W. A. McKenzie, keeper; J. B. Taylor, wielder.

Roy Carlson in Field Work

Roy Carlson, home office examiner of the American of Newark for New York, has been appointed special agent for

Intelligent, useful service to agents, brokers, policyholders and claimants.

Inquiries from responsible agents and brokers welcomed.

MOTOR VEHICLE CASUALTY CO.
"SOLID AS THE PYRAMIDS"
Copyright 1932 by Motor Vehicle Casualty Co

HOME OFFICE
223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organized in 1914 as Motor Vehicle Underwriters. Organized as Motor Vehicle Casualty Company in 1930.

1805 - 1933

Caledonian Insurance Company

The Oldest Scottish Insurance Office

Caledonian-American Insurance Company of New York

ROBERT R. CLARK,
U. S. Manager and President

THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, *U. S. Manager*

EXECUTIVE OFFICES: HARTFORD, CONN.

1794 1933

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

Semi-Annual Statement, June 30, 1933

Reserve for Unearned Premiums	$ 613,184.75
Reserve for Losses, etc.	407,335.23
*Contingency Reserve	1,327,381.85
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,657,069.10
TOTAL ASSETS	$5,004,970.93
SURPLUS TO POLICYHOLDERS	$2,657,069.10

On Market Value Basis

Acquire

THE OLD "STATE OF PENN"

*Contingency Reserve represents difference between Insurance Dept. Values and actual Market Prices.

northern New Jersey succeeding James Semple, who has been transferred to eastern New York with headquarters at Albany.

Lathan Goes to Kansas

R. B. Lathan, who has been Illinois farm special agent for the North America, has been transferred to Wichita, Kan., and will have charge of the southeastern part of the state for the North America group. He succeeds J. A. Braswell.

Southern News Notes

The **Alabama Blue Goose** held a monthly splash and dance last week.

O. T. Klepinger, special agent of the New York Underwriters at Houston, who lost his sight as the result of an accident, has been retired.

NEWS OF THE COMPANIES

Plan for the Globe & Rutgers

Hope to Have the Reconstruction Finance Corporation Subscribe to Block of Preferred Stock

Interest attaches to the plan to have the Reconstruction Finance Corporation divert part of its $10,000,000 loan to the Globe & Rutgers to purchasing preferred stock in the reorganized company. Negotiations are on for purchase of part of the stock from President E. C. Jameson. Mr. Jameson has given an option to the Tri-Continental Corporation on over 30,000 shares at $67. The option expired Monday and was extended. The Tri-Continental is affiliated with the investment house of J. & W. Seligman. The Globe & Rutgers' board passed a resolution for converting part of the loan into preferred stock and then was forwarded to the R. F. C. in Washington. The plan is to convert over $7,000,000 of the loan to preferred stock in the company. The block of stock on which the option is given and that held by other interests would give the Tri-Continental control. The Globe & Rutgers has been in the hands of the New York department since March.

Senator Reed in Case

Former U. S. Senator James A. Reed has been projected into the Fire Company of Chicago case as counsel for B. F. Bushman, president of the Federal Reserve Life and interested in the Fire Company. Senator Reed was to have appeared in the case last week to present and argue objections against a report of Federal Master-in-Chancery Jacob Grossman, but the case was put over by Federal Judge Wilkerson of Chicago to Oct. 4. At that time there is scheduled to be a hearing which is expected to last two days. The principal question which is to be considered at that time is likely to be whether a receiver should be appointed for the company.

Lincoln Reinsures Canada Business

The Lincoln Fire has reinsured all its Canadian business in the American Equitable. It is retiring from the Dominion. Edmund Foster, Canadian manager of the Lincoln, has joined the Corroon & Reynolds' organization in Montreal as assistant secretary. J. Marchand is manager of the Corroon & Reynolds' companies in Canada, of which the American Equitable is one. Mr. Foster was formerly Canadian manager of the Chicago Fire & Marine, which was reinsured by the Lincoln.

Company News Notes

The **Southern Fire** of Durham, N. C., has been admitted to Massachusetts and has appointed P. S. Keeler agent.

Directors of the **Home Fire & Marine** have declared a dividend of 50 cents per share.

Ohio has readmitted the **Mechanics & Traders,** formerly of Louisiana, now of Hartford, with G. L. Thrush as state agent. The **Associated Fire & Marine** has been admitted to Ohio, with E. A. Pabody of Cleveland as state agent.

Work of Field Men Checked Against the State Figures

A number of companies are in the midst of analyzing the figures in the various states to determine just what proportion of business therein they are getting as compared to their share in other years. In this way, the companies will have a fairly accurate check on their field men. Sometimes managers are quick to blame a field man if the business in his state shows a big decline. However, when an analysis is made, it may be found that the company is still getting as large a percentage of the business from that state as it was getting in the prosperous years.

Useful figures are not always available. For instance, jurisdiction in a state may be divided with supervision over a big city and the metropolitan area being separate from the rest of the state. The figures on the total business in the city may not be available so that the company can determine what share of that business it is getting and separate that item from the experience in the rest of the state. Generally, however, a company can get a pretty good idea whether its percentage in a state is decreasing.

Athletic Association Meeting

The Chicago Insurance Athletic Association will hold its first meeting for the season in the rooms of the Chicago Board auditorium Oct. 4 at 5 p. m. W. F. Kuffel of the Chicago Board is president. For the past several years the association has sponsored basketball, indoor baseball, etc., games having been played at the North Avenue-Larabee Y. M. C. A. It is possible that another location may be selected for this year. At the meeting it is hoped that all Chicago insurance offices interested in participating will have a representative present.

Reserves Suite for Convention

The North British & Mercantile group has reserved a suite in the Drake hotel, Chicago as headquarters during the annual convention of the National Association of Insurance Agents next month.

Thomas Named Receiver

Don A. Thomas of Dayton, O. has been appointed receiver for the Montgomery Mutual Fire at Dayton. As receiver Mr. Thomas will either rehabilitate or liquidate the company.

Miscellaneous Notes

The **Kenneth C. Thom** agency of Detroit has been incorporated. It is located in the First National Bank building.

Tyler, Inc., 604 Peoples Bank building, Pontiac, Mich., has been incorporated by R. D. Tyler, D. L. Tyler and D. A. Tyler.

T. M. Brandle, who was in the surety field in Jersey City up to about a year ago, has opened new offices in the Labor building there as T. M. Brandle, Inc., with these officers: T. M. Brandle, president-treasurer; Samuel Nemser, vice-president; Vincent Cahill, secretary.

The week of Oct. 8-14 has been proclaimed as a **special fire prevention week** in **Canada.** This agrees with fire prevention week in the United States.

The Elm Way Corporation, Stamford, Conn., has changed its name to **Mary Louise Brennan Agency,** taking over the insurance business of Mary Louise Brennan at 480 Main street.

Pennsylvania Agents Plan Program of Floor Speeches

FORUM SUBJECTS ANNOUNCED

Opportunity Will Be Given the Delegates to Talk Informally on the Topics

The annual meeting of the Pennsylvania Association of Insurance Agents will be held at the William Penn Hotel, Pittsburgh Oct. 5-6. In the past agents have not had sufficient time to discuss matters of interest pertaining to their particular line owing to the number of invited speakers. Therefore the convention this year will be conducted more in the nature of an open forum. There are leaders scheduled to discuss subjects but they will not present formal addresses. At the Pennsylvania meeting it will be the subject to instruct the delegates to the National convention at Chicago the following week as to the position the state association desires to take on certain subjects.

Darragh to Preside

A. C. Darragh, president of the Pittsburgh Insurance Agents Association, will open the meeting Thursday morning and preside. There will be a meeting of the directors the evening before. The address of welcome will be made by J. W. Henry of Pittsburgh, manager of the casualty department of the Aetna Life, who is general chairman of arrangements. The response will be by W. R. Robert of Bethlehem. Mr. Henry, who is one of the vice-presidents of the Pennsylvania association, will preside from this time.

The annual address will be made by J. P. Lavelle of Scranton, president of the state association. John D. Saint of Raleigh, manager of the North Carolina association, will tell of the plan he adopted when he was manager of the Louisiana organization in developing the work in that state. Secretary W. H. Bennett will bring the greetings from the National body. At noon there will be a luncheon for local board delegates.

Subjects for Discussion

During Thursday afternoon President Lavelle will preside. The subjects to be discussed will be the automatic cancellation of policies for non-payment of premiums, the replacing of policies of failed companies and whether the insurance commissioner should require companies to report to him delinquent agents who are over 90 days in arrears.

At the close of the session General Agent G. B. Muldaur of New York City will give a talk on the work of the Underwriters' Laboratories. The annual banquet will be held in the evening, the speakers being President Lavelle and former Governor John S. Fisher of Pennsylvania.

Friday's Program

At the Friday morning session there will be an open forum discussion on the 60 day rule for settlement of losses over $500 and the NRA agency code.

H. R. Teitrick, chief, division of agents and brokers of the Pennsylvania insurance department, will talk on "Pennsylvania automobile liability security act and other new insurance laws." The entertainment for ladies is scheduled for Thursday.

Augusta Seeks Meeting

AUGUSTA, Sept. 27.—The Georgia delegation to the annual meeting of the National Association of Insurance Agents, will seek the selection of Augusta as the meeting place for the 1934 mid-winter meeting.

The first meeting of the new executive committee of the Georgia association will be held Sept. 29, in Macon. A proposed NRA code for Georgia will be up for discussion.

MR. HAROLD JACKSON

has rejoined

WM. H. McGEE & CO., INC.

111 JOHN STREET

NEW YORK CITY

who have taken over

HAROLD JACKSON CO, INC.

from this date.

WM. H. McGEE.

September 12, 1933.

INTER-OCEAN REINSURANCE COMPANY

Inter-Ocean Building, Cedar Rapids, Iowa

Financial Statement

Based on Market Values June 30, 1933

ASSETS		LIABILITIES	
U. S. Government bonds	$ 422,162.50	Unearned premiums	$1,948,620.10
State, County, Municipal bonds	1,353,486.06	Reserve for losses	314,780.27
Public Utility and other bonds	601,582.10	Reserve for taxes	53,745.08
Stocks	275,651.46	Funds held for treaties	46,370.94
First mortgage loans	614,100.25	All other liabilities	30,105.88
Home office building	89,401.84	Voluntary reserve	150,000.00
Collateral loan	7,000.00		$2,543,622.27
Accrued interest	109,378.35	Capital $ 500,000.00	
Premiums in course of collection	406,718.64	Surplus 1,010,689.93	
Cash in banks	174,831.00	Treatyholders' surplus	$1,510,689.93
Admitted assets	$4,054,312.20		$4,054,312.20

Karl P. Blaise, V. Pres. & Secy.

Jos. L. Campbell, Asst. Secy.

Roy E. Curray, President

C. Fred Morgan, Vice-Pres.

REINSURANCE OF FIRE AND ALLIED LINES

Insurance Requirements Are Increased by Process Tax

U. S. NEVER REFUNDS LEVY

In Event of Fire or Other Damage, Processor Is Out the Amount of the Tax

The question of increased insurance requirements caused by the imposition of the processing tax is important to agents in many localities. The processing tax now applies to wheat and cotton and beginning Oct. 1 will apply to tobacco.

The processing tax becomes due and payable at a definite stage in the operation. For instance, there is a federal ruling that in the case of cotton it becomes payable when the cotton becomes a lap. In the event of fire or other loss after the tax becomes due and payable there is no refund. That means that the value of the processed material increases by the amount of the tax and therefore the insurance requirements are increased by that amount. In other words, if the processor did not carry enough insurance to cover the price of the processed material plus the tax, he would be a loser to that amount, because he would then have to purchase new raw material on which another processing tax would become due and payable after it had gone through the machines.

All Processors Affected

Not only are the insurance requirements of the original processor increased by reason of the process tax but the requirements of processors along the line are likewise increased. For instance, in the case of cotton, the spinner pays the processing tax to the government, but he adds the amount of that tax in his charge to the converter and the converter makes a subsequent charge to the fabric man.

This is a question upon which adjusters should be thoroughly informed. They must know at just what point the processing tax became due and payable. Apparently many adjusters have not acquainted themselves on this point. For instance there was a fire recently in a cotton mill in Texas and the adjuster went on the theory that the processing tax applied to cotton in the opening room.

The Hartwig Moss Agency has reduced the fire insurance rate on school buildings in New Orleans from $.429 to $.414.



THIS SIGN HAS STOOD FOR STRENGTH, SOLIDITY AND SQUARE DEALING SINCE 1710

SUN INSURANCE OFFICE, LTD.
OF LONDON
Oldest in the World Founded 1710

Sun Underwriters Insurance Company of New York
Patriotic Insurance Company of America
Sun Indemnity Company of New York

FIRE
LIGHTNING
WINDSTORM
AUTOMOBILE
EXPLOSION
RIOT & CIVIL COMMOTION
USE & OCCUPANCY
RENTS & RENTAL VALUE
LEASEHOLD
INLAND MARINE
OCEAN MARINE

TOURIST FLOATER
SALESMEN'S FLOATER
YACHT AND MOTOR BOAT
ALL RISK PERSONAL JEWELRY
ALL RISK PERSONAL FURS
ALL RISK TOURIST FLOATERS
JEWELERS BLOCK POLICIES
PUBLIC LIABILITY
MERCHANDISE IN TRANSIT via Truck, Rail or Steamer (Annual or Trip Policies)

HEAD OFFICE: 55 Fifth Ave., New York
O. Tregaskis, Manager, Eastern Department

WESTERN DEPARTMENT
Wrigley Building, Chicago
John F. Stafford, Manager

MARINE DEPARTMENT
11 South William St., New York
Wm. H. McGee & Co., Inc., Gen. Agt.

PACIFIC COAST DEPARTMENT
San Francisco, Cal.
Carl A. Henry, General Agent

SUN INDEMNITY COMPANY
55 Fifth Ave., New York
F. I. P. Callos, President

N. Y. Capitulates to Wall Street; Insurance Has Hope

NEW YORK, Sept. 27.—The wrecking of the city's emergency tax program by its forced abandonment of the proposed tax on stock transfers and brokers' incomes coupled with Mayor O'Brien's delay in signing the remaining emergency bills has aroused a slight hope among insurance men that the present program will be entirely scrapped and a new one devised which would not tax the asests of fire and life companies.

Mayor O'Brien and Samuel Untermeyer, special financial adviser to the city, have been quoted as indicating they were undecided whether the tax bills which include the asset levy should be signed. There are signs that Tammany is somewhat worried by the storm of protest stirred up by its tax plans especially the tax on insurance and savings bank assets. The city's capitulation to Wall street cut about one-half out of the revenue that it hoped to raise by the emergency taxes.

Dean Schedule Class

Beginning Monday, Oct. 2, at 5:30 p. m., a class will be organized in the Chicago Board auditorium for the purpose of making a study of the Dean schedule. The course will consist of a series of lectures to be delivered by R. A. Parker and D. P. Skaer of the Chidago Board. The lectures will cover the origin of schedule rating, its relation to the fire insurance business, illustrated slides of standards of construction and fire protection. Practical problems in schedule rating to be worked by the individual student will be provided. Classes will convene Monday nights for a period of one and a half hours. The fee for the course is $10.

New York Pond in Dinner

NEW YORK, Sept. 27.—L. A. Watson, P. M. L. G., will be honored at a testimonial dinner by the New York City pond of Blue Goose Oct. 11 at Block hall. An "auction night" to which members will donate new and useful articles for the benefit of the fellowship fund has been arranged by M. L. G. T. B. Donaldson.

New York Field Club Meets

NEW YORK, Sept. 27.—A. D. Fisk, insurance attorney, will speak on "The Perils of the Mortgagee Clause" at a meeting of the Suburban New York Field Club Oct. 2 at Block hall.

Meeting Date Is Changed

NEW YORK, Sept. 27.—The National Automobile Underwriters Association's board of directors will meet in New York Oct. 17-18, instead of Oct. 18-19 as previously announced. The staff committee will hold the first of a series of meetings Oct. 11.

Van Schaick, Conway Speak

NEW YORK, Sept. 27.—Superintendent Van Schaick of New York will be the principal speaker at the General Brokers Association's annual dinner at the Hotel Astor Oct. 24. Supreme Court Justice Albert Conway, former superintendent of New York will be the toastmaster.

H. S. Milligan Is Dead

H. S. Milligan, older brother of President Edward Milligan of the Phoenix of Hartford and formerly connected with the Great American at Philadelphia, died at his home near Philadelphia.

Ogden Brown Joins "Review"

Ogden Brown, brother of Tartleton Brown, editor and publisher of the "Insurance Review" of St. Louis, has joined that paper and will be associated in its management. Ogden Brown worked on the old "Insurance Leader" with his father, the late Garrett Brown. Later he was editor of the "Western Insurance Review."

Oklahoma Cotton Loss Rule

Cotton losses in Oklahoma hereafter will be adjusted on the basis of New York market quotations on the morning following the fire, the Oklahoma Insurance Board has ruled, eliminating previous use of Galveston and New Orleans quotations.

DEATH OF CLIFFORD WESTON

Clifford Weston, assistant manager of the New York office of the North America, died suddenly Saturday at a sanitarium at Port Washington, L. I., following an operation for appendicitis. He entered the employ of the New York brokerage department of the North America in 1917.

Sharp Issue Up in Ohio on Federal Union Action

(CONTINUED FROM PAGE 4)

cluding its own representatives, at a distinct disadvantage in meeting the competition of foreign brokers by opening up a basis of operations which if it can be legally put into operation will distinctly favor the non-resident as against the resident agent of any state.

Will Carry Fight to a Finish

"Taking all the issues involved in this case into consideration, the organized agents of the state have concluded to carry this fight to a finish with every available means at their disposal, and as an expression of their views the following resolution was unanimously adopted by the agents assembled at the Marion meeting:

"Resolved that the Federal Union, the Royal, Liverpool & London & Globe, American & Foreign, Queen, Newark, Star, Royal Indemnity, Globe Indemnity and Eagle Indemnity be held up to the censure of this meeting and the agents throughout Ohio for the Federal Union action in instituting a suit in the supreme court of Ohio to compel the issuance of a local agent's license to foreign broker interests.

Resolved that this convention go on record to the effect that the real interest of the agents is being jeopardized.

Resolved that this group of companies be requested to discontinue its attitude of attacking agency laws in Ohio since a similar issue has already been decided in a prior suit instituted by the Star Insurance Company of this same group of companies.

Resolved that this association views with surprise and alarm this group discrimination in favor of foreign brokers over established agents.

Resolved that a copy of this resolution be sent to the National Association of Insurance Agents and to all local agents in Ohio for their careful consideration."

Position Is Now Made Known

"It was felt that this resolution should not be generally given out to the insurance papers until the incoming administration of the Ohio Association of Insurance Agents had met and decided as to the procedure to be followed. The trustees of the Ohio Association of Insurance Agents, feeling that every effort has been made to induce this company management to discontinue this unwarranted attack, now presents this statement as an indication of its views and position in the matter, and gives it to the insurance papers so that the agents of the country may be correctly informed regarding some of the issues involved. It was unanimously agreed to present this to the Executive Committee of the National Association of Insurance Agents at the Chicago convention for its consideration and action."

Truck Hi-Jackings Attracts Attention

Fear Recent Increase Will Be Accelerated by Prohibition Repeal

SHIPPERS NOT WORRIED

Thefts Can Be Stopped Experience of Silk Association Shows—Use Bullet-Proof Cabs

NEW YORK, Sept. 27.—The rising tide of truck hi-jackings due to unemployment among beer-runners is causing marine underwriters and shippers of vulnerable merchandise to consider ways of preventing such holdups, with a view to forestalling losses that would make excessive insurance rates unnecessary. The imminence of repeal and the consequent flood of jobless bootleggers makes it almost certain that many many more gangsters will soon be turning their attention to truck robberies unless steps are taken to make it unprofitable and dangerous for them.

In recent months thieves have shown a disposition to take almost any kind of merchandise, not confining themselves to easily negotiable stuff like silk, furs, and cigarettes. Truckloads of vegetables and fresh meat have been taken and distributed, without a chance of detection or recovery, with the astonishing rapidity that characterizes the operations of these gangs. While some of the more incomprehensible thefts have undoubtedly been due to the thieves' error in picking the wrong truck, there has been a definite tendency for them to widen their field of operations beyond their usual targets.

Shippers Not Concerned

Logically it should be the shippers who should concern themselves about the increase in thefts, realizing that it must soon be reflected in higher insurance rates. Although the cigarette shippers, for example, have shown a mild interest in holdup prevention, most of the shippers take the attitude that "we have insurance, so why worry?"

The result of this attitude is that shippers will probably take little active interest in effective holdup prevention until higher insurance rates force it to their attention. It would be better for them not to wait until that time, however, for the experience of those best versed in prevention activity shows that it takes a considerable time to get such work organized so that it will really put a stop to hi-jacking.

Silk Association Active

That the problem can be solved even with the most vulnerable merchandise is well shown by the experience of the Silk Association of America, whose holdup prevention work is in charge of Miss I. L. Blunt, secretary. A dozen years ago, before the association began this work, holdups of silk trucks were almost a daily occurrence, averaging five or six a week. Insurance rates were about 15 times the present rate, and coverage hard to get. Thieves were becoming increasingly bold.

Silk companies protected by the association's service have about 400 trucks on the road but in the ten-year period since the service began operating only two trucks have been stolen. This striking result was not accomplished by the use of ingenious alarm gadgets, putting armed guards on the trucks, or even by encouraging the drivers to

(CONTINUED ON PAGE 29)

Fire Marshal's Graphic Report

The reports that John O. Quinn, chief assistant fire marshal of North Dakota, makes of his investigations indicate that he is more than an investigator of routine ability. He undertakes to make his reports graphic by projecting his own personality into them and avoiding stereotyped forms.

An example of the vividness of Mr. Quinn's style is found in a report of an investigation of a fire that occurred Sept. 6. The occupant of the dwelling which burned was an elderly woman who was suspected of setting the fire.

"Mrs. H.," Mr. Quinn writes, "was very free to talk until her ardor was dampened by being confronted with the proof that her theory of over heating was exposed and when told that a small, independent fire in the attic, having no possible or probable connection with the main fire, was advanced, her sails were set adrift and she became mute for a time. While this interview was progressing, we were standing in the yard on or near a concrete walk. At this particular juncture she sat down upon the walk and looked toward the ground bewildered. I allowed her to muse for a time, for I have learned that it is wrong to smite anyone when they are down. I extended compassion. I also knew that she was the child of a mother—that she was a mother herself and I remembered that my own mother was a woman.

"When we each recovered, sheer sentiment forbade me to go further. Then I remembered that the exacting duties to my state, society and to civilization sponsored me to do my best. Then I asked her if the H's might have arch enemies that might have tried to burn them out for respite—but her bold stand that no one excepting herself had been in the house made it imperative that she answer no. It was the essence of prudence that she did so. Giving her another chance to advance a theory, she answered that it might have been mice. I told her that I had never been particularly fed up on the mice theory. I gave her a parting cheer and left.

"It is my personal opinion that Mrs. H. was not alone in the house the night in question, nor do I believe that she slept there that night. I do not like to question the veracity of any woman, but I think that I have already made it sufficiently plain that duty compels. I have it on good authority that there was but one bed in the house and this without pillows and no covering except one sheet. Mrs. H. was fully dressed when she gave the alarm and did not appear to have thrust herself abruptly upon the public half clad, as might have been the case under similar circumstances. No, she was fully dressed and it is my belief that she was never undressed that night. She was not purported to be out of breath and laboring under difficulty, as one necessarily would have been had they been choked by smoke for some time."

Status of Rule Book Changes

The states in which new rules have been introduced providing that hail coverage is included in the windstorm policy are Illinois, Indiana, Kentucky, Minnesota, Nebraska, North Dakota, Oklahoma, South Dakota and Tennessee. This provision was introduced in Iowa and Kansas some years ago. The western states in which such coverage is not provided are Michigan, Missouri, Ohio, Colorado, Wyoming, New Mexico and Wisconsin.

The states in which other changes in the rule books have been introduced, including the revision of the vacancy clause are Illinois, Indiana, Kentucky, Minnesota, Nebraska, North Dakota, Oklahoma, South Dakota, Tennessee, Michigan, Ohio and Wisconsin.

States in which the additional hazard supplemental contract has been authorized are Illinois, Indiana, Kentucky, Minnesota, Nebraska, North Dakota, South Dakota, Tennessee, Michigan, Ohio and Wisconsin.

Use and Occupancy Decision

Held that the development of one seam of coal, which is of lower cost of production, and the abandonment of another found to be unprofitable is in no sense such a radical or revolutionary change in the business as to nullify the probative force of experience and the use and occupancy policy itself. Even though the purpose of use and occupancy insurance be to insure the earnings of an established business, and even though the change may greatly increase profits, it does not render valueless the experience of the business in estimating what profits are to be anticipated. Fidelity-Phenix Fire et al vs. Benedict Coal Corporation. U. S. C. C. A., 4th Cir. (Va.).

The **Standard Underwriters Agency**, 918 Buhl building, Detroit, has been incorporated by E. H. Wyatt, D. E. Barker and T. F. Boothby.

Note Plan Gains Ground in Texas

Fire Companies Not Accepting Notes Are Feeling Pinch of Competition

NO CARRYING CHARGES

Six Percent Interest Is Only Charge—Business of "Cash Companies" Raided at Renewal

DALLAS, Sept. 27.—The installment plan for paying premiums, a system somewhat similar to that used by furniture dealers, automobile concerns, radio houses, electric ice box people, etc., has invaded the fire insurance field in Texas with considerable success to those companies using it and a loss of business to those that do not. This monthly

(CONTINUED ON PAGE 29)

"SOME BOOKS ARE TO BE TASTED, OTHERS TO BE SWALLOWED, AND SOME FEW TO BE CHEWED AND DIGESTED."

—Bacon.

GOLDEN

The same is true of people and also of companies. This is the experience of many agents.

ANNIVERSARY

Throughout fifty years the Security Fire has strived sincerely to come within the latter classification of those few Companies who grow upon you, and, through steady endeavor to wear well, develop a warmth which is deep and true.

YEAR

Security Fire Insurance Company
Davenport, Iowa

PROTECTION SINCE 1883

Tornado Damage Survey Is Made by Companies Bureau

SMALL TOWNS WERE WRECKED

Wind Storm in the Rio Grande Valley of Texas Caused a Loss of $2,500,000

NEW YORK, Sept. 27—Fire companies liable under tornado covers in southern Texas will be gratified to learn that the Fire Companies' Adjustment Bureau, following a careful survey of the destruction by the hurricane that swept the Rio Grande valley Sept. 4, now estimates the property loss at $2,500,000. The report submitted by F. E. Holmes of Dallas, assistant general manager of the bureau, recites in brief that warnings of the approaching storm were first given by the government Sept. 1. Moving slowly, the full effect of the flow was felt three days later, the wind for a few minutes attaining a velocity of 120 miles an hour.

When the storm abated 18 hours later, it was discovered the great majority of the houses through the valley towns of Point Isabel, San Benito, Harlingen, La Feira, Mercides, Westloco, Donna, Alamo, San Juan, Phair, San Carlos, La Blance, Elea, Edcouch, LaVilla, McAllen and Mission, had been virtually demolished. The damage at Brownsville, while severe, was not so great as that in the smaller centers, a fact attributed to the generally superior type of construction had in the former city. Tornado insurance carried to property value is held to be relatively small. Experts place the damage to the citrus crop throughout the storm area at 90 percent. The wind damage at Corpus Christi was comparatively light. Settlement of claims throughout the territory on behalf of the bureau is being directed by W. T. Gallaway, manager of the San Antonio branch, aided by C. H. Purdy of the Harlingen office and 26 adjusters.

Inland Marine Definition Is Being Widely Adopted

NEW YORK, Sept. 27.—States which have promulgated the inland marine definition now include Alabama, California, Connecticut, Indiana, New Jersey, New York, North Carolina, Texas and Wyoming, and the District of Columbia.

FINANCIAL SECURITY

plus

SOUND PRINCIPLES OF BUSINESS DETERMINES CHARACTER



Will Wrightson
Field Correspondent

THE YORKSHIRE INSURANCE CO. LTD
LONDON & PROVINCIAL MARINE & GENERAL INS. CO. LTD.
SEABOARD FIRE & MARINE AND THE YORKSHIRE INDEMNITY CO. OF N.Y.

90 JOHN STREET - - NEW YORK CITY

Michigan Program Is Given Over Entirely to Forums

SELECT DISCUSSION LEADERS

No Set Talks Are Scheduled for the Annual Meeting of the Local Agents

All plans have been laid for the annual meeting of the Michigan Association of Insurance Agents at the Hotel Whitcomb at St. Joseph next Friday and Saturday. C. E. Freese of Detroit is president and George Brown of that city is executive secretary.

There will be a council of local boards the first day. C. A. Hallbert of Muskegon is chairman, and H. J. Mowry, Kalamazoo, secretary. G. C. Blickle of Grand Rapids is chairman of the local board committee of the state association.

The general meeting will start at 10 a. m. with President Freese presiding. The invocation will be by Rev. George C. Horst. The welcome will be given on part of Benton Harbor by Mayor Sterling and on part of St. Joseph by Mayor Yeomans.

Topics for Discussion

There will be a number of topics up for discussion during the rest of the session. Among those featured will be W. A. Gibbons, branch superintendent of the audit bureau at Kalamazoo, who will lead the discussion on the work of the credit bureaus. Then will come a discussion of the new automobile financial responsibility law which becomes effective Oct. 16. The details will be presented by L. R. Morony, assistant director Michigan motor vehicle division in the secretary of state's office, and O. E. Atwood, a director of the association.

Mutual and reciprocal competition will be led by George J. Lieber of Detroit, manager of the Fidelity & Casualty. John F. Horton, manager of the Aetna Life companies at Detroit, will lead the discussion on branch offices. J. A. Grow of Detroit and Homer Warren of that city will lead on credit extension and bad debts.

To Discuss NRA Code

The NRA code will come up for discussion, the leader being L. G. Kingscott of Kalamazoo. Tom Hendra, supervisor of agents of the Great Lakes Casualty of Detroit, will lead the discussion on "Standardized policies—weak spots in present forms." Former Insurance Commissioner C. D. Livingston will talk on the relation of the state insurance department to the agency force.

R. M. Morse, in charge of the state license division of the Michigan department, will lead the discussion on the licensing system. J. D. Stafford, district manager of the American Appraisal Company, will talk on "Thawing Frozen Assets."

The Saturday forenoon session will be given over to the reports of officers and committees. It will be an executive session. On Saturday afternoon there will be a general discussion, reports of conferences, legislative, resolutions and local boards committee.

Other subject up for general discussion are as follows: Premium financing; automatic cancellation; reduction in commission rates; overhead writing; increase in agency overhead; thirty to 60 day retention in fire losses; fire prevention; accident prevention; compensation rates and coverage readjustment; bank agencies; ninety day default reports; insurance by political units in mutuals; governmental placing of surety bonds and other insurance.

Arrangements are in the making for an unique exposition of fire prevention. A committee of St. Joseph and Benton Harbor public school principals has been appointed to hold a contest among the school boys and girls who are interested. It has not been decided yet whether the contest is to be by way of an essay or a talk but whichever it be the three winners selected by the judges are to read their papers.

August Loans Reported by Reconstruction Finance Co.

WASHINGTON, D. C., Sept. 27.—Three loans, aggregating $650,000, were authorized to insurance companies by the Reconstruction Finance Corporation during August. Of the total, $400,000 was to the Maryland Casualty and $200,000 to the Concord Casualty & Surety Company of New York. A loan of $50,000 was authorized to the Universal Life, Memphis, but none of the total was disbursed up to the end of the month. All loans bear interest at a rate of 4½ percent.

During the month a loan of $150,000 to the St. Louis Mutual Life was cancelled, no part of the amount having been disbursed. Other insurance loans cancelled or withdrawn in part during the month totaled $44,888, as follows: Peoria Life, $4,900; Lloyds of America, New York, $18,220; Columbia Life of Cincinnati, $11,663; Petersburg Insurance Company, Petersburg, Va., $10,104. Repayments of loans by insurance companies last month amounted to $767,426, it was stated. Insurance loans outstanding at the close of the month amounted to $68,381,462.

NEWS FROM THE COAST

W. H. (Pat) Moley, of Seattle, special agent for Great American and Phoenix of Hartford group will hereafter cover the entire State of Washington and the Panhandle of Idaho, following the transfer of Special Agent W. H. Gascoigne from Spokane to the San Francisco area. Mr. Maloy will continue to make his headquarters in San Francisco.

* * *

Sam R. Waugh, special agent for National Board, has been transferred to take charge of the Montana and Wyoming territory. He will make his headquarters in Great Falls, Mont.

* * *

W. G. Merryweather, pioneer Spokane (Wash.) local agent, was removed to the hospital for a fourth operation. He has already undergone three major operations.

* * *

Change of name of Lewis & Co., agent, to **Lewis & Cartwright,** with offices at 232 SW. Fourth Ave. at Portland, Ore., is announced.

* * *

A. F. Flegel, F. O. Vincent and W. H. Moe have been named as a special committee of **Oregon Blue Goose** to decide on a scolarship fund. The idea of helping some deserving student through college was discussed and approved at a recent meeting.

* * *

R. H. Ensign, formerly associated with the Travelers, has joined the Seattle firm of Graham & Riley, as manager of the insurance department. Mr. Ensign is the son of the late H. R. Ensign, widely known fire insurance adjuster.

* * *

R. D. Callender of Seattle engaged in the local business under his own name has joined the Republic Insurance Underwriters, successors to Republic Insurance Agency as vice-president. A. H. Sampson is president.

* * *

Insurance companies are exempt from filing returns, under the new **Washington occupation sales tax** which was declared constitutional by the state supreme court. The state income tax measure passed at the 1933 legislature was held unconstitutional.

* * *

S. J. Armando, who was special agent of the Loyalty group in Pacific coast territory for seven years prior to his resigning two years ago to enter the agency business, has rejoined the San Francisco office of the Loyalty fleet as fire special agent.

Recommends Books on U. & O.

Thorough assimilation of the information contained in two books will give an examiner a better comprehension of use and occupancy than could be obtained in attending a whole winter's series of lectures on the subject, F. L. Erion, independent adjuster of Chicago, told the Fire Insurance Examiners Association there at the first fall meeting. The books to which he refers are, "Business Interruption Insurance," by Clyde M. Kahler, and "Profits Insurance Modernized," by Fred K. Buchanan.

Mr. Kahler is assistant professor of insurance in the Wharton school of finance and commerce of the University of Pennsylvania. He was tutor of profits insurance in the School of Insurance in London and Glasgow when his book was published in 1930 by the Policy-Holder Journal Company, Ltd., of London. Both books may be purchased from The National Underwriter Company, the Buchanan book possibly having to be ordered from London.

Give the Basic Principles

Mr. Erion said both these volumes should be in the reference library of every examiner because they so well and fully state basic principles from which, Mr. Erion said, to deviate is to chance disaster.

Examiners should steer clear of any form which by hook or crook or extreme interpretation could involve the company in paying more than the assured would have earned. However, Mr. Erion said, such action is often delayed and even not taken because only a small percentage of policies issued are ever involved in a loss and the examiner hesitates to refuse to accept the premium. Then, too, even if loss occurs under a dangerous form, it may be a small one easily adjusted, and the real danger of the form may not be exposed in the adjuster's report.

Experience Usually Not Segregated

To overcome or avoid such danger all uniform U. & O. forms limit liability to "actual loss sustained" of net profits and expenses. Mr. Erion said, however, many typewritten and special printed forms which on the surface appear to comply with the rules contain innocent appearing clauses that are dangerous because of clever wording which makes them susceptible to more than one interpretation.

So few companies keep separate statistics for U. & O. that the laws of average concerning this coverage are not known and examiners are handicapped by lack of information and experience.

Mr. Erion strongly advised against accepting a U. & O. form unless it includes the appraisal clause approved by the forms committee. In the absence of this clause, the policy conditions govern and if there is a disagreement concerning a single feature of the U. & O. loss, the insured is in position to insist that the whole matter go into appraisal. The U. & O. appraisal clause obviates the necessity of letting appraisers decide the whole question, Mr. Erion said, and definitely provides that the particular feature of disagreement be the sole subject of appraisal.

Cites Two Basic Factors

Examiners naturally want to determine the probable maximum loss under most severe conditions. To do this two basic features must be considered, first, the probable length of time necessary to restore the property in case of total destruction, and second, the probable maximum loss that may accrue during that period.

The Pacific Board has adopted a form which places upon the assured the responsibility of nominating the maximum suspension period, Mr. Erion said, but no such form is authorized elsewhere and thus the responsibility of estimating probable maximum suspension is transferred to the rating inspector and examiner in all jurisdictions except the Pacific Coast.

Discuss Distillery Losses

Mr. Erion conducted an interesting open forum on the subject of U. & O. as applied to distilleries, a question in which the examiners are especially interested now due to the anticipated prohibition repeal.

Raw distilleries' stock, Mr. Erion said, undoubtedly would include distilled but not fully aged spirits. Technically in case of a U. & O. loss affecting such raw stock, it might be considered total for as much as four years. This would depend on any laws in effect or adopted prescribing the period of ageing before offering for sale. The federal limitation heretofore was a two year ageing period. It is thus possible that distillers anxious to turn their stocks might be willing to agree on a U. & O. loss covering two years.

Fireman's Fund Policy for Celebrated Bonanza Firm

A fire insurance policy issued to the famous Bonanza mine firm of Mackay, Fair, Flood & O'Brien in April, 1872, by the Fireman's Fund, has come into the hands of President J. B. Levison after having been uncovered in the hands of William Marks of Virginia City, Nev.

The four principals of the Bonanza firm were all prominent in early history of the Pacific Coast and their mining developments and ventures have formed the basis for many stories. The policy is in a good state of preservation, and it is interesting to note that although the policy "Does insure: Mackay, Fair, Flood & O'Brien" on "Trench Mill, Silver City, Nevada," in case of loss the amount of the policy was payable to Flood & O'Brien. Mackay & Fair were the operating members of this famous silver mining firm and were at the time active superintendents of the Comstock mines, while Flood & O'Brien were the financial partners, resident in San Francisco and caring for all business other than the actual operation of the mines.

The policy was issued at what was practically the height of the great silver boom and protected the properties of the most colorful and successful of mining operators. A face value of $2,500, the policy was given in consideration of a premium of $100, 50 cents for stamps and a tax of $3, or a total premium of $103.50.

Wisconsin Mutuals Present Plans for Annual Meeting

The annual convention of the Wisconsin Association of Mutual Insurance Companies for agents and company officials will be held at the Schroeder Hotel, Milwaukee, Oct. 26-27.

The following will address the convention: H. Rees Jones, president Town Mutual Dwelling of Des Moines; Prof. N. P. Feinsinger, University of Wisconsin; E. H. Neitzel, president, Dodge County Insurance Agents Association; Jos Schiffler, adjuster, Milwaukee. A banquet and dance will be held on the evening of Oct. 26. Count Anton Carlson of Copenhagen will be the principal speaker. Geo. A. Jacobs of Janesville is president.

R. L. Ladd, Mymera, Ind., was presented a Continental 25-year service medal at a dinner in Terre Haute. State Agent Carl V. Nipp and other company representatives were present.

ATTENTION!

agents in!

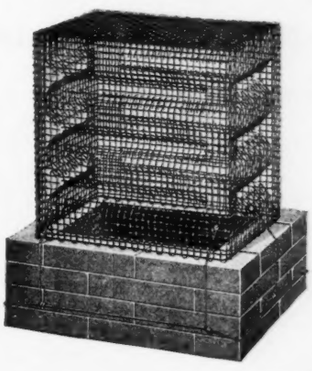
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Getting Away from the Subject

SOME insurance men do not seem to grasp what is behind the NRA movement. In state conventions much time is taken in discussing proposed codes with many details suggested most of which are highly competitive. These have to do largely with trade issues. President ROOSEVELT and his associates in initiating this gigantic enterprise were motivated solely by the desire to get more people to work. This meant of course greater buying power. In order to bring about results a minimum wage was set and maximum hours. It was hoped through this means to lift some employes up to a point where their income would stimulate more buying and by reduction of hours it would be necessary to put more people to work.

So far as insurance offices are concerned as a general rule there is not a great contribution to the solution of the unemployment problem. There had to be some readjustment of hours and probably some salaries to minor clerks raised. At some head or general offices where a large number of file or minor clerks are employed it necessitated considerable increase in wages so far as aggregate is concerned. There have been but comparatively few new people engaged.

The federal government is not interested in trying to iron out trade controversies. It has a huge task on its hands as it is. It is dealing with the competitive question only in its bearing on minimum wages and maximum hours. The government therefore is not concerned with issues coming up in any activity that may be violation of trade ethics. It is overwhelmed with work and effort trying to bring into line the important industries and businesses.

The insurance people therefore need expect no help from the government in trying to adjust their trade controversies. Therefore in the discussion of the NRA code it is idle to try to encompass business ethics. If there are certain competitors that sell their goods below others because they work their people so much longer or pay less, then the government is interested in righting this practice. Where, however, any custom or practice has no bearing on minimum wages or maximum hours the government will not intervene. Therefore the discussion should be confined strictly to the subject and its boundaries.

Rater Has Hard Time of It

PITY the poor rating expert, who, condemned at all times for what he does, or fails to do, as the case may be, according to the viewpoint of different company officials, has been the object of particular scoring of late, due doubtless to the falling off of premium income and the irritation of company officials thereat. On the one hand the official rater is urged to reduce rates in order to meet immediate or threatened mutual or reciprocal competition. Once this is done, he is blamed for forcing the companies to write business at figures that under no conceivable conditions will produce a profit for the carrying offices.

The counter of the experts to the complaints hurled against them is that the revised rates, low as they may be in comparison with those previously charged, would yet prove sufficient to carry assumed hazards and leave a slight profit margin to the companies, if they were not further shaded through such improper practices as violation of the term rule, and of granting forms of policy far more liberal as to terms than the contracts upon which the official rates were predicated. While there doubtless is a measure of justification for the attitude of the raters, and liberal allowance should be made for the heavy pressure brought to bear upon them by many company officials overeager to retain lines upon their books and to get still others, the fact yet remains that institutions that insist upon the strict observance of tariffs and the writing only of standard forms of contract, find the rates inadequate to keep pace with the losses and expenses; though both items are carefully watched.

PERSONAL SIDE OF BUSINESS

Henry F. Offenhauser of F. W. Offenhauser & Co. of Texarkana and Mrs. Offenhauser are at the Windermere in Chicago visiting the fair and seeing the sights. Mr. Offenhauser is one of the stalwarts in the Arkansas Association of Insurance Agents. His brother, the late F. W. Offenhauser, was one of the early presidents of the National association.

—

H. G. Buswell of Evanston, Ill., who retired a few years ago as Chicago and Cook County manager of the Home of New York group, was married last week at Owosso, Mich., to Mrs. Imogene Richmond Parker. Mr. and Mrs. Buswell will occupy the Buswell residence in Evanston.

—

Fred E. Walt, who resigned the presidency of the Union Fire of Lincoln, Neb. in July, died Sept. 21 at his home in Lincoln due to a heart attack. He had been president of the Union Fire for over 10 years. His resignation was brought about through his illness. Prior to becoming president he was in the general agency business for many years, and was widely known in insurance circles. His conscientiousness and fairness with all made him beloved by the large family of Union Fire agents.

J. S. Farrell, who has been associated with the Union Fire for 15 years, was elected to the presidency to succeed Mr. Walt. The company made splendid progress under the leadership of Mr. Walt. It is fortunate in having a successor to continue the management along lines that have proved very satisfactory.

—

United States Manager **R. R. Clark** of the Caledonian after attending the Western Underwriters Association meeting at Saranac Lake, N. Y., left on an extended trip through the southwest and Pacific Coast. He was in New Orleans this week.

—

H. F. McElroy, Jr., vice-president of the Kansas City Fire & Marine and member of the firm of R. B. Jones & Co., will be married to Miss Elizabeth Beasley of Nashville on Oct. 7.

—

A. H. Small, Jr., state agent of the Southern Fire in Georgia, died at a Savannah, Ga., hospital last week as a result of an automobile accident which occurred two weeks before.

—

W. S. Souter, 31, Lander, Wyo., manager of the insurance department of the Central Trust Co. and secretary-treasurer of the Wyoming Association of Insurance agents, died at Rochester, Minn., following an operation.

—

Albert Conway, former New York superintendent of insurance and now a New York supreme court justice, married Miss Alice O'Neil, in Brooklyn.

—

Scott Coleman, agency superintendent of the Great American Fire, has been visiting field men in Texas.

—

An elaborate celebration of the 75th anniversary of agency service in Lansing rendered by the organization represented by the **Dyer-Jenison-Barry Company** and **Lansing Insurance agency** is scheduled for the evening of Oct. 2. A testimonial dinner is being given O. A. Jenison, president Dyer-Jenison-Barry company, and George M. Goodell, president Lansing Insurance agency. Both men are former presidents of the Michigan Association of Insurance Agents and they have served respectively, 35 years and 22 years, as presidents of the allied agencies.

In addition to marking 75 years of agency service by these agencies and their immediate predecessors, the occasion will mark the 35th anniversary of the incorporation of the Dyer-Jenison-Barry company, the 31st anniversary of the incorporation of the Lansing Insurance agency, and Mr. Jenison's birthday.

The agencies have always cherished their historical background. They are located in the Insurance building on Grand avenue which occupies the site of a pioneer cottage in which O. A. Jenison was born. The Phoenix Fire has been continuously represented in these agencies and their predecessors for more than 65 years according to available records and it is believed its representation dates back the full 75 years of the agencies' life. Paul Van Wormer, special agent, now makes his headquarters with the agencies.

—

E. J. Stewart, chief engineer of the Kansas Inspection Bureau at Topeka, was elected president of the western section of the International Association of Electrical Inspectors at its meeting in Chicago.

—

Cravens, Dargan & Co., general agents at Houston, Tex., have gotten out an interesting map showing the paths of West Indian hurricanes for 46 years including 1932. The map shows the starting points of the various storms and their finishing spots.

—

E. C. Roth of Buffalo, N. Y., of Armstrong, Roth & Cady, well known local agents, who is a former president of the National Association of Insurance Agents, was the winner of the world's fair tickets given by the Chicago Board this week.

—

T. L. Jones, 38, Massachusetts state agent of the National Union Fire for the past seven years, is dead. He was formerly active in Boston agencies and was a member of the executive committee of the New England Insurance Exchange.

—

Mrs. **C. J. Curless,** wife of the well known Lancaster, O., local agent died in University Hospital, Columbus, Sunday.

—

H. J. Drane has returned to his duties as a member of the Federal Power Commission in Washington after two weeks at his home in Lakeland, Fla. **J. R. Wright** as manager is operating the H. J. Drane & Sons agency. Mr. Drane was a loser in the last election for Congress after having served the first Florida district for 14 years.

—

J. G. Galloway, Kentucky state agent for the North British & Mercantile, was best man at the marriage of his son, Morgan Galloway, screen star, to Miss Sally Dolling, a film actress, at Santa Ana, Cal.

Revise Fire Prevention Book

The fire prevention department of the Western Actuarial Bureau has completed its revision of the "Fire Prevention Recommendation Book" which field men use in making town inspections. The new book was compiled after considerable study, and embraces a number of ideas suggested by several of the state fire prevention associations.

St. Louis Pond's Nine Wins

Members of the St. Louis pond of Blue Goose are quacking with pleasure these days, since the pond's baseball team gained a one-sided victory over a flock of geese from Kansas City. The battle was waged at Jefferson City Sept. 21. Bill Saunders struck out 15 men. Frank Gannon aided in the victory by missing the game. He was scheduled to play shortstop.

The Fire Prevention Association of Ohio will inspect Fostoria, O., Oct. 26.

WELCOME TO 844 RUSH STREET



Agents attending the National Association meeting in Chicago are invited to visit the Western Department of America Fore at 844 Rush Street, only four short blocks from the Drake Hotel.

At the Drake Hotel, America Fore will also maintain Headquarters where you are cordially invited to call on us.

We are again publishing a Convention Directory listing the names and addresses of all present. Everybody registered will receive a copy the opening morning. We hope it will be a convenience and add to your enjoyment of the meeting.

See you in Chicago!

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

New Auto Law Is Explained

Responsibility Measure Subject of Detroit Meeting—Other Gatherings Planned Through State

DETROIT, Sept. 27.—About 150 last week attended the first meeting of the Detroit Association of Insurance Agents to be held since January. The theme of the meeting was Michigan's auto financial responsibility law, which goes into effect Oct. 16. This was the first of a series of agents' meetings to be held about the state before the law goes into effect.

The principal speaker was John H. Eglof, of the Traveler- and recognized authority on auto responsibility laws.

The law applies to both owner and operator of motor vehicles, whether the owner is driving or not. The owner is responsible for his car if it is operated with his consent, given or implied. Michigan also has a non-resident automobile law through which non-residents may be brought to account for damages by their cars in this state. Legal service may be obtained upon them by serving the secretary of state of Michigan, whereupon the matter is decided in a local court and is sent to the driver's home state for collection if a judgment is obtained.

Louis Morony, of the motor vehicle division of the secretary of state's office, who has charge of the administration of the new law, said that the state's problem is to get the public and the insurance companies to cooperate so that the law may be properly administered. Kenneth Watkins, president of the Insurance Federation of Michigan, is chairman of the newly appointed committee of the Michigan Association of Insurance Agents on this law. Other members are Clyde Smith, Lansing; Phil Braun, Newell & Braun, Flint; John Horton, manager Aetna Casualty, Detroit, and George J. Lieber, Detroit, resident manager, Fidelity & Casualty.

Use Delinquent Letter as Lever in Collection Work

LANSING, MICH., Sept. 27.—Demand of the department for lists of agents whose accounts are more than 90 days delinquent is being utilized by some agents as a valuable lever in making collections on old premium debts.

Copies of the departmental letter have been prepared in many cases and enclosed with collection letters. The implication that trouble will be made for the agent as a result of his forebearance in dealing with his customers has been found, in many cases, to prove effective in bringing in cash when previous collecting efforts have failed dismally.

The departmental letter quotes the commissioners' resolution on the subject but urges the companies to submit all available special information in cases "where balances are impounded in closed banks and the accounts are being adjusted to the satisfaction of company and agent." Commissioner Gauss points out that some exceptional treatment is due many delinquent agents in Michigan due to the "unusual and unfortunate banking situation" prevailing in this state.

J. H. Lane, for 30 years prominent in insurance at Mexico, Mo., and formerly mayor, and Mrs. Lane, celebrated their golden wedding anniversary recently.

Indiana Agents' Convention

Program Is Arranged for the Annual Meeting to Be Held in Gary, Ind.

At the annual meeting of the Indiana Association of Insurance Agents at Gary, Oct. 9, Frank L. Gardner of Poughkeepsie, N. Y., past president of the National Association of Insurance Agents, will represent that body and tell something of the work of the organization and what it has accomplished. Arthur M. Holtzman, director of field service, Continental Casualty, has taken as his subject, "Merchandising Insurance." R. E. Vernor, manager fire prevention department Western Actuarial Bureau, will speak on "Recent Developments in Fire Prevention and the Local Agent." C. H. Smith, assistant western general agent of the Hartford Fire, will talk on "Some Common Errors Made by Insurance Agents. John F. Wohlgemuth of Chicago, secretary of THE NATIONAL UNDERWRITER, will talk on "Reading a Financial Statement." Insurance Commissioner H. E. McClain of Indiana will give an address.

The Indiana meeting will be held in the Hotel Gary.

Annual Meet of Illinois Agents at Rockford Nov. 7

The annual meeting of the Illinois Association of Insurance Agents will be held Nov. 7 at the Nelson hotel in Rockford, according to the announcement of President Rockwood Hosmer of Chicago.

Muncie Board Reelects Officers

All officers and directors of the Muncie (Ind.) Insurance Board were reelected at the annual meeting. They are: Lester Milliken, president; Charles Sursa, vice-president; C. E. Fisher, secretary-treasurer; H. H. Wolfe, Walter Kirkpatrick, Everett Moffitt, Robert Galliher and James Kennedy, directors.

Has Madison, Wis., Affiliate

MINNEAPOLIS, Sept. 27.—Wirt Wilson & Co., one of the large agencies of this city, announces the opening of an affiliate at Madison, Wis., under the name of Miles H. McNally & Co. Mr. McNally, a Wisconsin banker and business man, recently became vice-president of Wirt Wilson & Co.

Vaughan Heads Waterloo Agents

WATERLOO, IA., Sept. 27.—J. R. Vaughan has been elected president of the Waterloo Insurors' Association, succeeding L. J. Duke. David E. Seger was elected vice president and B. L. Holton, reelected secretary-treasurer. Mr. Duke is chairman; A. K. Smith and H. C. Miller were named to the executive committee.

Gauss May Seek Legislation

LANSING, MICH., Sept. 27.—Several changes in the insurance laws may be asked by Commissioner Gauss if an extra session of the legislature is called by Governor Comstock this winter, as now indicated. Commissioner Gauss, who is just becoming familiar with the department's functions, thinks the present statute insufficient in a number of respects. He has not revealed exactly what changes he would recommend but hinted broadly that they would increase the department's authority to deal with certain phases of the business that now give much trouble. The commissioner has been going over the New York laws and believes that some revisions of the Michigan statutes patterned after the eastern state's code provisions would be helpful. He has been promised cooperation of some legislators in framing suitable legislation and attempting to carry it through to enactment.

Ingenhutt Is Minneapolis Head

MINNEAPOLIS, Sept. 27.—A. W. Ingenhutt has been elected president of the Minneapolis Underwriters Association to succeed F. S. Preston. R. L. Cobb was chosen vice president and W. J. Kelly secretary-treasurer. P. H. Ware continues as manager.

Confer with Mortensen

MADISON, WIS., Sept. 27.—A group of Milwaukee fire underwriters conferred informally with Commissioner H. J. Mortensen last week, giving their viewpoints on binders and the length of time a policy may be held before payment is made.

Urge Credit Cooperation

WICHITA, Sept. 27.—At the regular meeting of the Wichita Insurors members were urged to give full cooperation to the credit association by reporting all cancellations for non-payment of premium, which are bulletined to the member agencies weekly. Before an assured can purchase insurance from another member he is required to pay any balance due from such cancellations. C. K. Foote, chairman of the "On to Hutchinson" committee reported on the state convention being held in Hutchinson Oct. 19-20, urging full attendance. The board expects to invite the convention to Wichita for 1934.

Close Topeka Office

Sheffer & Cunningham, adjusters, have closed its Topeka office and both partners, O. A. Scheffer and H. C. Cunningham are now located at the Wichita office, 206-7 Central building.

Dickson, Vernor Kansas Speakers

General F. S. Dickson, assistant general counsel of the National Board will speak at a noon meeting of the Salina, Kan., chamber of commerce Oct. 12 in connection with an inspection being held there by the Kansas State Fire Prevention Association.

While in Kansas General Dickson will also address chamber of commerce meetings in Wichita and Hutchinson on Oct. 10-11.

R. E. Vernor, Western Actuarial Bureau, will spend two days in Kansas during Fire Prevention Week, addressing the Cooperative Club in Topeka Oct. 11 and a chamber of commerce meeting in Kansas City Oct. 12.

Write Million Dollar Policy

SIOUX CITY, Sept. 27.—A million dollar fire insurance policy was written last week by the Peters-Guiney agency to cover the packing plant of Armour & Co. here.

Barnett Files Missouri Reports

ST. LOUIS, Sept. 27.—Paul V. Barnett, special master in the Missouri fire rate cases pending before a special federal tribunal at Kansas City, in a report filed with the court yesterday stated that the 137 companies affected operated at a loss in Missouri prior to June 1, 1929 when they raised their rates 16 2/3 percent and will continue to sustain a loss of 3.82 percent under new rates on a premium earned and losses incurred basis, but should make an apparent profit of 3.48 percent if the Hyde formula of premiums collected and losses paid is applied. The companies lost money under either formula prior to the raise in rates, he reported to the courts.

Each of the first three reports filed by Mr. Barnett contained five volumes of testimony, a 500-page printed analysis of the evidence and the special commissioner's findings of fact, and a table of calculations of the interest on unearned premiums.

It will be two years, according to Judge Barnett, before he will have submitted the report of the last of the 137 cases.

Kansas Field Men Hear Chief

WICHITA, KAN., Sept. 27.—Austin Stone, independent adjuster and former president, presided at the Central Kansas Field Mens' Club luncheon here, the second meeting of the year. A large attendance including a number of guests heard Chief O. W. Wilson of Wichita describe conditions found in Germany and England the past summer.

H. C. Cunningham of Sheffer-Cunningham, adjusters, is the new secretary-treasurer, succeeding W. H. Moore of the Western Adjustment who has been transferred to Minneapolis.

Merit Rating for Farms

MADISON, WIS., Sept. 27.—Application for an increase in farm rates will be filed shortly with Commissioner H. J. Mortensen, according to notice from companies writing Wisconsin farm property. The increase will be sought on premiums on all farm hazards save properties passing a merit system test. On these latter risks the premiums will be allowed to remain at the present figures.

The application in reality amounts to a request for installation of the merit system to farm hazards. In no state has the system yet been used as to farm risks.

Premium rates on farm risks in all counties in Wisconsin save Ashland, Bayfield, Burnett, Douglas, Forest, Iron, Langlade, Lincoln, Marinette, Oconto, Oneido, Polk and Pierce, are 70 cents per $100 for one vear; $1.40 for two years, and $2.10 for three years. In the excepted counties the rates are 95 cents for one year, $1.90 for two years, and $2.85 for three years.

Losses Down in Indiana

INDIANAPOLIS, Sept. 27.—At a meeting of the Indianapolis Salvage Corps the exceptionally low fire loss record of Indianapolis for this year and especially for several recent months was the occasion of comment. The number and amount of losses for the year in the whole state are remarkably reduced. T. R. Dungan, vice president of the salvage corps and president of the Indiana Fire Underwriters Association, reports that an air of optimism exists throughout the state in insurance circles. Agents are reporting an improvement in volume of business from many points and collections are reported to be generally better.

Criticize Des Moines Protection

DES MOINES, Sept. 27.—According to a recent report of the National Board, the Des Moines fire department is undermanned and is lacking in certain types of equipment. The inadequacy of engine capacity, supply of hose, ladder and small stream services are cited. Much of the apparatus in use is old.

The deficiency in manpower at night is only partially offset by the response

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

$ 600,000.00 **Organized 1854**

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NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

$ 1,000,000.00 **Organized 1866**

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$ 1,000,000.00 **Organized 1871**

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$ 1,000,000.00 **Organized 1870**

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$ 300,000.00 **Organized 1886**

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$ 100,000.00 **Organized 1905**

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WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

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$ 2,000,000.00 **Organized 1852**

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THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

$ 1,000,000.00 **Organized 1874**

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COMMERCIAL CASUALTY INSURANCE COMPANY

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WRITING FIRE AND ALLIED LINES—AUTOMOBILE (FIVE POINT) AND PLATE GLASS

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of off-shift members and the training program should be extended to include complete officer and company schools.

The alarm system was classed as entirely inadequate, poorly maintained, unreliable and little used. Action to provide a modern complete system covering all parts of the city was declared necessary.

Rohrs Buys Hinners Agency

The Lena Schaefer Hinners agency of Pekin, Ill., has been purchased by the G. W. Rohrs agency, which will now have bureau instead of W. U. A. representation. The agency was started in 1870 by Mrs. Hinners' father, Fred Schaefer.

Anderson Heads Cedar Rapids Group

J. F. Anderson has been elected president of the Fire & Casualty Underwriters' Association of Cedar Rapids, Iowa. Other officers are J. M. Welch, vice-president and F. W. Damour, secretary-treasurer.

Middle Western Notes

The **Iowa Fire Prevention Association** will inspect Jefferson Oct. 10.

Nicholas Grit, former assistant manager of the Metropolitan Life in Grand Rapids, has established a local agency at 2443 Lillian avenue.

G. W. Short, Newton, Ia., has moved to Marshalltown, Ia., and will operate an agency there representing the Town Mutual Dwelling of Des Moines. The agency was formerly operated by J. A. Small.

The **regional fire school** was conducted at Niles, Mich., Tuesday of this week, Sturgis, Wednesday, and Albion, Thursday. This was under the auspices of the engineering division of the Michigan state college and sponsored by the Michigan State Fire Chiefs Association, Michigan Fire Prevention Association, Municipal League and the Michigan state fire marshal.

IN THE SOUTHERN STATES

Will Help Local Exchanges

Texas Association of Insurance Agents Aims to Assist in Lining Up Outside Offices

The situation which developed at San Antonio between the San Antonio Insurance Exchange and the outside agents was watched by the Texas Association of Insurance Agents with interest. The San Antonio local agents endeavored to get the outsiders in line and had the cooperation of most of their companies. At the last convention of the Texas Association of Insurance Agents at Corpus Christi a resolution was passed securing the cooperation of local exchanges in maintaining correct practices. The resolution read as follows:

"Whereas the local exchanges in operation in this state are committed under their constitution and by-laws to the upholding of correct practices and principles in underwriting as well as to the enforcement of all insurance laws; and

Whereas, it frequently occurs that some companies or groups of companies violate some of these principles.

"Resolved that the various insurance exchanges in this state be requested to make a complete and thorough investigation of all such violations and after the officers of the local exchanges, or a properly authorized committee of same, have made a thorough and complete examination of the facts, that they certify same to the officers of our state association."

The Texas association had had before it in years gone by the question of providing some sort of an arrangement for interchanging information between the local boards and the Texas association as to their local problems. It was felt that if the state secretary acted as the clearing house there could be a central point where this information could be gathered and the force of the state body would be behind the local exchanges.

Report Is Made on Memphis

National Board Engineers Tell About the Fire Fighting Facilities of That City

The National Board in reporting on Memphis finds that the losses for the last five years amounted to $4,688,369. The average loss per fire was $485 and the average loss per capita $3.68. The engineers say that the water supply works are adequate and reliable. Sufficient quantities are available in most high value districts but the small mains and hydrants limit the supply in several sections. The fire department is generally efficient and mainly well equipped. The fire alarm system is reliable but inadequate in extent.

In the congested value district, the engineers say the construction is lacking in fire resisting features and makes severe group fires probable. However, the open square and numerous fire-proof and sprinklered buildings favorably affect the hazard. The fire fighting facilities, though having some deficiencies, are fairly adequate so that the probability of fires involving large portions of the district is moderate.

In the manufacturing and warehouse districts, many of the buildings are sprinklered, but severe group fires are probable in some localities.

Commissions on Richmond Bridge Cover Total $13,000

RICHMOND, VA., Sept. 27.—Commissions from insurance of various kinds written in connection with the construction of three concrete bridges at Richmond, Va., being built with funds totaling $1,700,000 advanced by the federal government amount to approximately $13,000. The major portion of the coverage including the lines of compensation, public liability, contractual liability and property damage was written by the Cottrell & Munson agency of Richmond. Contract bonds, an all-risk policy, and a small amount of fire insurance were placed through several other agencies. As the money was advanced by the government as an emergency relief measure, plans are being considered for the pooling of the commissions with a view of their apportionment among the representative agencies in the city. It is understood that the Richmond Bridge Corporation which was organized for the purpose of building the bridges accepted at least part of the insurance with the understanding that some plan of that sort would be carried out.

Consider Walton Agency Status

LEXINGTON, KY., Sept. 27.—The Lexington Board of Fire Underwriters is questioning the propriety of the Sam B. Walton agency membership which was recently incorporated. The board rule excluding corporation members was enacted at a time when Mr. Walton was president of the board.

Virginia Collections Improve

RICHMOND, VA., Sept. 27.—There has been an appreciable improvement in collection of balances in Virginia since the Fire Insurance Field Club launched an intensive program to enforce the mandatory balance collection rule. Local agents are said to be cooperatng with the specials in very gratifying manner and it is the consensus of opinion of the specials that the situation will

continue to improve during the remaining months of the year. The work is being carried on under the supervision of W. A. Jordan, Jr., secretary.

Yazoo Delta Agents Meet

CLARKSDALE, MISS., Sept. 27.—The Yazoo Delta Local Agents Insurance Association held its annual meeting with approximately 100 in attendance. B. R. Kuekendall, of Clarksdale, president of the Clarksdale and Coahoma County Insurance Exchange, presided. Speakers were: C. G. Smith, president of the chamber of commerce, who discussed the NRA; B. K. Clapp, Atlanta, southern manager Fire Companies Adjusting Bureau, and J. H. Hines, Atlanta, president Southeastern Underwriters Association.

Use New York Cotton Price

OKLAHOMA CITY, Sept. 27.—In order to create a more equitable and uniform procedure for computing loss on cotton burned in transit in Oklahoma the state insurance board ruled that such loss shall be estimated on the basis of quotations released by the New York market the morning following the fire. Adjustments had previously been based on the various quotations of the New York, Galveston or New Orleans markets.

May Seek Back Taxes

OKLAHOMA CITY, Sept. 27.—Millions of dollars involved in the gesture being made by Oklahoma officials to collect personal property taxes from major insurance companies which maintain offices in the state. The movement is based on a decision of the supreme court rendered last year, which held the New York Life had to pay personal property taxes on office furniture in Oklahoma, holding that the same tax applies to moneyed capital, surplus, undivided profits invested in cash notes, policy loans and other assets.

Oklahoma county officials have opened the test action upon which may depend the collection of personal property taxes from insurance companies as far back as 1908.

In the past leading insurance companies have held that the 2 percent gross premium tax has relieved them from other taxation, in the state.

Southern Notes

J. H. Lacy, Winchester, Ky., local agent, has announced his candidacy for city commissioner.

John Pearce, Birmingham, Ala., special agent for the Royal and Queen, announces the birth of an eight-pound boy.

W. L. Wallace, vice-president Pacific National Fire, has been appointed vice-chairman of the American Legion's fire prevention commission in the northern California district.

PACIFIC COAST AND MOUNTAIN

Rocky Mountain Meet Oct. 4

Supervisory Committee and Inspection Bureau Management Group to Gather at Colorado Springs

DENVER, Sept. 27.—The Supervisory committee of the Rocky Mountain Fire Underwriters Association will hold its annual meeting Oct. 4 at Colorado Springs.

It is believed that automatic suspension of delinquent agents, the most discussed insurance question here for many months, has no chance of winning approval of the legislative body. A sub committee of the supervisory committee rescinded the suspension rule after a brief and unsuccessful trial early last July.

Ask Rule Changes

This meeting will be followed by the annual meeting of the managing committee of the Mountain States Inspection Bureau, which is more or less of a formality. The Mountain Field Club has asked for some rule-book changes. The dispute between Pueblo and the fire insurance rating authorities over its protection classification will come up. Demands of the Rocky Mountain Hotel association for lower fire rates may be considered, and details of the contemplated combination form and application for farm business probably will be disposed of.

Adjustment Bureau Costs Lower

DENVER, Sept. 27.—The average service charge by the mountain department of the Fire Companies Adjustment Bureau for the first six months of 1933 dropped $2, while the average expense advanced $1.25, according to a statement by Manager George Webster to the advisory committee. This meant a net reduction in the cost to the companies of 75 cents. The average service charge fell off from $21.45 during the first six months of 1932 to $19.45 for the same period of this year.

Total losses adjusted were $360,838 less than the first six months of 1932, which was interpreted by Mr. Webster as indicating an improvement in general business conditions.

Talks on "Special Hazards" Oct. 3

SAN FRANCISCO, Sept. 27.—The Fire Underwriters Association of the Pacific will hold an open lecture Oct. 3 with Walter Van Orden, manager Pacific Factory Insurance Association speaking on "Special Hazards."

Report Is Made on Seattle

National Board Tells About the Fire Fighting Facilities of The City

The National Board in reporting on Seattle says that the water supply is adequate and reliable. There are ample quantities available for engine supply and often for direct hydrant streams. The fire department is well equipped but undermanned and inadequately drilled. The fire alarm system is inadequate and not reliable in the outlying residential sections.

In the congested value district the high potential hazard of inferior construction is mitigated by fairly good street widths, fire breaks formed by fire-proof and sprinklered buildings and strong fire fighting facilities. Fires involving a considerable portion of a district are improbable. In most rather high value districts, not more than group fires are probable.

Insurance Post Elects

W. L. Reauveau, associate general agent Lincoln National Life, was elected commander of Insurance Post 404 of the American Legion at its annual meeting in San Francisco. Vice-commanders elected are: First, W. L. Wallace, vice-president Pacific National Fire; second, B. M. Chapin, of Rathbone, King & Seeley; third, Willis Ullrich, broker; fourth, Frank W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER; fifth, A. G. Wallace, Wallace-Phipps General Agency; sixth, J. P. Breeden, manager National Union Fire. Other officers are: Adjutant, H. W. Armstrong, Fireman's Fund; finance officer, F. J. Ingersoll, National Automobile Theft Bureau; judge advocate, Earl Myers, attorney; chaplain, William Pippey, adjuster; historian, C. Armitage, Fireman's Fund; sergeant at arms, Joseph Connolly, Globe Indemnity. Color bearers are: Charles Landresse, London Assurance and Dwight Eveleth, Pacific National Fire.

Evans Raps Cut-Raters

DENVER, Sept. 27.—Cut-rate insurance companies were rapped vigorously by H. F. Evans of the Cashman & Evans general agency in a talk before the Executives Association at its weekly luncheon. After explaining to his lay listeners some of the factors in the makeup of fire insurance rates, he declared: "It is manifest that figures of a single company can furnish no information for the adjustment of a rate and proves the fallacy of cut-rate concerns proceeding purely on the basis of 'shading' established rates, which are the result of the experience of all reputable companies."

Mr. Evans said the fire companies have stood the test of the business depression better than other lines of business. "Fire insurance has been built upon time-tested facts," he declared, "and it is testimony to its safety that during the business debacle we have been going through, wherein it is estimated that ten billion dollars were involved in closed banks, only one fire insurance company of any size has met with disaster, and it is expected that one will be salvaged and reconstructed."

Colorado Pond to Meet

The Colorado Blue Goose, will hold a business meeting in Denver Sept. 29. Delegate F. E. Brown will report on the grand nest meeting at Toronto, and Harry Hickok, finance committee chairman, will discuss the benevolent fund.

Coast Notes

Prof. **R. W. Chaney,** University of California, talked to the San Francisco **Blue Goose** on "Traveling Manchuria's Gobi Desert."

H. F. Risbrough, deputy California insurance commissioner in charge of the Los Angeles office, is spending his annual vacation in San Francisco.

Eastern States Activities

Occupancy Clause Construed

U. S. Circuit Court of Appeals Decides Interesting Case When Two Successive Fires Occurred

In McHose vs. American Central the United States circuit court of appeals, third circuit, Pennsylvania, decided a case where there were two successive fires. This was an appeal from the United States district court of the middle district of Pennsylvania. The company issued a policy on a dwelling for $3,500. A fire occurred Feb. 18, 1930. While arrangements were being made for appraisal the assured boarded up the building. Efforts were made to effect an appraisement and reach a settlement but without success. While the negotiations were going on the part of the building not destroyed caught fire June 1 and was totally destroyed. The company denied liability for the second fire because the house had been unoccupied for more than 40 consecutive days following the first fire. The company admits liability for the first fire. The trial court submitted the case to the jury on the theory that notwithstanding the va-

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cancy of the building, the jury might consider the question of damages resulting from the loss from the second fire and further it might consider whether or not under the facts of this case the company had not waived the provision of the policy as to occupancy.

The higher court held that the vacancy clause covered the property that was inhabitable and could be occupied. It contends that it is unreasonable to provide that a building must be occupied during a period when the persons knew that it could not be occupied. It says the assured evidently did not have in mind the fact that an unoccupiable building must nevertheless be occupied in order to hold the company liable. The court holds that the assured did not breach the vacancy clause and the loss clause by the second fire and is not barred by the provision here invoked. The court holds that the company is liable for the second fire as well as the first.

Entertainment Events Listed

Features Scheduled for the Annual Meeting of the Pennsylvania Association of Insurance Agents

At the annual meeting of the Pennsylvania Association of Insurance Agents at Pittsburgh, Oct. 5-6, there will be a sight-seeing trip to the H. J. Heinz Company's plant where a luncheon will be served. There will be a tour over the boulevards with a bridge tea at a country club. The trip will be taken the afternoon of Oct. 5 and there will be a dinner dance that evening at the William Penn hotel. A. Blumenthal in the Grand building is chairman of the entertainment committee. The other members are H. P. Lichtenthaler, W. R. Berger and C. A. Reid.

The meeting will be largely devoted to open forums rather than formal addresses, according to the program released by Secretary F. D. Moses. Speakers will include J. D. Saint, manager North Carolina association, G. B. Muldaur, general agent Underwriters Laboratories, and H. R. Teitrick, chief of the division of agents and brokers of the Pennsylvania department. Secretary W. H. Bennett of the National Associaton of Insurance Agents will extend greetings of that organization.

Fairfield County Adjusters Elect

The Fairfield County (Conn.) Insurance Adjusters Association formed a year ago has elected E. S. Brown as president for another term. E. L. Talmadge of Greenwich was elected vice president and J. P. Royston of Bridgeport, secretary-treasurer. It has 55 members. The annual meeting was held at Bridgeport.

Firemen's Change at Rochester

C. N. Brock has resigned as manager of the Firemen's of Newark group at Rochester, N. Y., to enter the laundry business. J. E. McKevitt, former manager of the Firemen's office at Syracuse, has been placed in charge of the Rochester office.

Careful in Philadelphia Dispute

PHILADELPHIA, Sept. 27.—Despite their notice to the companies that they intended to continue to hold back 35 percent as commission on suburban business until the settlement of the Philadelphia commission fight, the Philadelphia agents are carefully avoiding doing anything that may antagonize the companies.

The agents are hoping that a settlement may be reached soon and they do not want to do anything that may interfere with that hope.

Many of the companies have written the agents that, as members of the Eastern Underwriters Association, they could not agree to anything that would violate the new suburban commission scale of 30 percent as adopted by the association the latter part of May.

Other companies have been very diplomatic in their answers to the agents' "ultimatum" letter. Others still have failed to reply. The agents are placing their suburban business only with companies where there will be no argument on their continuing to collect the old commission.

Boston University Courses

Boston University, College of Administration, is offering interesting courses this year in life insurance fundamentals, life insurance salesmanship, special C. L. U. review course, property insurance and casualty insurance. The classes meet in the evening running for two hours. C. J. Crobaugh is the instructor. He is associate editor of the "Insurance Age-Journal," formerly assistant professor of school of commerce and finance, Indiana University, and formerly supervisor of educational extension Aetna Life affiliated companies. He is the author of two books, "Casualty Insurance" and "Hand-Book of Insurance."

Lurich Organizes New Agency

NEWARK, Sept. 27.—Charles C. Lurich, Jr., has discontinued the firm of Charles C. Lurich & Co., which was headed by his father who died recently, and organized a general insurance agency in the Military Park building, Newark, N. J.

Eastern Notes

J. J. Carlin, Newark local agent, has been elected president of the Setan Hall College Alumni.

C. B. Smith, Jr., has resigned as president of Hutchinson, Smith & Nichols, Stamford, Conn., to form an agency under his own name at 421 Main street.

Canadian taxes on fire insurance business in 1932 were 4.30 percent of the premiums for Canadian companies, 4.27 for Canadian business of British companies and 4.90 percent on Canadian business of United States and other foreign companies.

MARINE NEWS

Fire Item Covers Explosion

Court Holds Loss Not Under Perils of Sea Clause—Crew Member Lit Stove, Explosion Ensued

The United States district court for the western district of Washington held the Union Marine & General liable under a marine policy for loss caused by explosion and conflagration, following the lighting of some kindling and box stuff by a member of the crew in the staff of a gas boat owned by Kuljis.

The court held that the contention of the Union Marine & General that the loss was not attributable to fire, but to explosion, cannot obtain. There is no evidence of spontaneous combustion. But for the fire, the explosion would not obtain, the court held. The proximate and direct cause of the loss was the fire.

The rule of ejusdem generis in connection with the words of the policy, "all of the perils, losses and misfortunes," has no application here, according to the court, in view of the fact that the testimony is clear that the proximate loss was the fire which caused the explosion. All other "perils, losses and misfortunes" can be entirely eliminated and the entire premise rested upon the one word "fire."

The insurer contended that the question of loss depended upon the "perils of the seas" term of the policy, which means marine casualties occasioned by the violent action of the elements, in contrast to their natural violent influence upon the fabric of the vessel.

The court held that since in the policy the perils are enumerated, the insurer must be held to the statements on which the premiums are based and may not, when the proof is definite as to the cause, avoid liability under the phrase "perils of the sea," which is limited.

Youthful President of Eugene, Ore., Board



CROSBY OWENS

When he was only 17 years of age, young Crosby Owens, son of Craig Owens, agency superintendent for the Atlas Assurance in San Francisco, decided that it was up to him to start charting his own career in the world. So he left home, boarded a steamer as an ordinary seaman and sailed away to the China Sea.

Today Crosby Owen is 23; a partner in the firm of J. K. Pratt Insurance Agency at Eugene, Ore., president of the Eugene Junior Chamber of Commerce and president of the Eugene Association of Insurance Agents. In May this year, he, as president of that organization, was official host to the convention of the Oregon Agents' Association. The local agency of which he is part-owner is one of the largest in the state, representing some 22 companies. It is believed that Mr. Owens is the youngest local association president in the United States.

J. K. Pratt, his partner, was president of the Eugene association two terms and is also active in organization affairs. Mr. Pratt is one of the best known and most active local agents in Oregon.

Craig Owens, father of Crosby, has been with the Atlas Assurance for more than 20 years. Previously he was with the Springfield Fire & Marine for 12 years, starting in the insurance business under Geo. D. Dornin, father of John Dornin, resident manager of the Springfield, and the late George Dornin. He served as special agent for the Atlas in central California, later in the north, becoming superintendent of agents in 1925.

Warns Shippers, Truckmen, on Cargo Cover Practices

In view of the fact that cargo insurance has been a live subject in insurance circles of late, a letter prepared by a mid-western agent, addressed to shippers that carry their own cargo insurance and truck operators who permit shippers to make a reduction from their freight bills for such insurance, is rather timely.

This particular agent has specialized in cargo insurance the past three years and is enjoying a substantial volume of premium from some 46 truck lines, totaling around $50,000 annually. His letter says:

"Whenever a shipper elects to carry

his own cargo insurance and makes a deduction from the freight bills, we are entirely agreeable to making a corresponding reduction in the monthly premium that the truckman pays us, provided and only when the truckman's policy is endorsed relieving us of any liability on merchandise of such shippers. If we get no premium, we naturally carry no liability.

"We have seen cargo policies issued to shippers, the owners of the merchandise, which carried a clause in the form of the policy prohibiting the assured (the shipper) from releasing a truckman from liability, and another paragraph setting out that such a policy was to be considered as excess insurance. There is serious danger in this situation, in that a shipper, when making a deduction from a freight bill, may unknowingly void his own insurance by thus releasing the truck operator from liability. Also, there is very serious danger to the truck operator, if he has his policy endorsed excluding coverage on specified merchandise, unless he knows that he has a legal release on the merchandise from such a shipper.

"Without a legal release, a loss might occur and the insurance company that carried the insurance for the shipper would pay the shipper, but take subrogation against the truck operator, and unless the truck operator had a legal release the insurance company could recover judgment against the truck operator for the whole amount notwithstanding the truck operator would have no insurance to protect his liability."

Souders to Pacific Coast

V. W. Souders, former special agent at Cleveland for the Fire Association of Philadelphia, has been transferred to San Francisco where he will have charge of a special risk service and miscellaneous side-lines, under the supervision of F. M. Avery, Pacific Coast manager.

IN times like these insurance agents appreciate a company which is not only financially strong, but which gives real sales help to its representatives. That is why our agents like the Twin City.

TWIN CITY FIRE INSURANCE COMPANY

John H. Griffin, Vice Pres. & Mgr.
MINNEAPOLIS, MINNESOTA

Motor Insurance Events

Give Per Capita Ownership

Statistics Are Presented Showing the Figures for Various Cities as to Automobiles

NEW YORK, Sept. 27.—While the per capita ownership of automobiles the country over is less by 6.4 percent today than it was 12 months ago, a number of cities yet show gains, some very substantial. A survey of the situation by the automobile department of the Continental and Fidelity & Casualty, reveals some interesting comparisons. In point of increase Pittsburgh led all other centers in percentage gain followed in turn by Louisville, Jersey City, Miami and Philadelphia to a considerable lesser degree. On the other hand New York City and Los Angeles showed a falling off for the period, the decline in the former city being about 1 percent and in the latter over 50 percent. Of the cities under review the number of inhabitants per automobile at the beginning of 1932 and 1933 respectively, was as here presented:

	1932	1933
Sacramento	1.9	1.9
Los Angeles	1.4	2.9
San Diego	1.9	2.1
Sioux City	2.2	4.8
Wichita	2.3	2.9
Baltimore	2.4	4.4
Seattle	2.5	3.3
Miami	2.7	2.6
Albany	2.7	2.7
Oakland	2.9	2.9
Syracuse	2.9	4.6
Wilmington	3.0	5.6
South Bend	3.1	3.7
Utica	3.2	7.2
Quincy	5.6	5.7
Louisville	6.0	5.1
Worcester	6.0	6.7
New Bedford	6.1	7.2
Memphis	6.5	10.3
New Britain	6.6	7.3
Scranton	6.7	6.7
Lowell	6.8	7.7
Savannah	7.1	7.5
Norfolk	7.7	8.0
Fall River	8.2	8.9
Philadelphia	8.5	8.3
New York	8.7	8.8
Pittsburgh	8.9	6.1
Jersey City	9.6	8.2

Business Now Satisfactory

Automobile Departments in the Middle West Report Recent Experience Has Shown Improvement

Those in charge of automobile departments in the middle west say that the business is on a much more solid and satisfactory basis than it has been for some time. Most companies now are making some profit. The theft loss ratio has decreased and this has been a big help. In Chicago there has been an improvement. The new rates help out immensely. Recently the courts have been far more vigorous and fearless and this has undoubtedly had an effect in reducing crime. Furthermore there are so many old cars being run that they are not worth very much. The automobile "fences" say that they cannot afford to pay as much as they have for parts because of the hazard they incur. The thieves on the other hand say that owing to the lower prices paid they have to do much more stealing in order to get what they have received in the past. There are other factors that undoubtedly are having a salutary effect.

Automobile Directors to Meet

The directors of the National Automobile Underwriters Association will meet in New York City, Oct. 18-19. The staff committee will hold its meeting some days previous.

SECURITY
The FIRST Consideration

IN underwriting it has been fundamental AMICO policy to accept only sound risks. In investing assets first emphasis has been placed on safety of principal.

Today, with 70 percent of invested assets in cash, United States Government and selected municipal bonds, this leading stock casualty carrier is providing that extra margin of safety and protection that the shrewd insurance buyer demands.

AMERICAN MOTORISTS INSURANCE COMPANY
James S. Kemper, *President*
MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.
Largest Illinois Stock Casualty Insurance Company

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Favorable Report on Missouri Case

(CONTINUED FROM PAGE 5)

therefore left by the master for the court to determine in the first instance.

Elements of supposed error are pointed out in the earned and incurred basis as presented, and elements of error in the written and paid basis, and a third method suggested, which is virtually recommended to the court called allocated income and outgo basis. In essence it is the earned basis allocating acquisition expense and assigning it pro rata to the unearned premium. It is stated that companies' accounts are not so set up, nor is such a requirement made by any state. The difference in the result by adopting this method as a modified earned premium method is very small as to the dollars and cents involved and it presents a basis which not impossibly may be adopted by the court.

Invested Assets

As to consideration of profit or loss on invested assets, it is found that fire companies "do not invest their capital in the business and in physical properties in any such sense as railroad, utility and mercantile concerns do."

The master holds it to be a matter of law for the court whether interest on unearned premiums should be considered, and does not determine that question but calculates what the interest on unearned premium would be. He does hold, however, that "If written or received premiums be taken or treated as income of a test period, for the purpose of ascertaining profit or loss for a selected test period, there are no unearned premiums upon which any interest calculations may soundly be made."

The master has an elaborate method of calculating interest on unearned premium. The rate of interest employed is ascertained by taking the admitted assets for each of the five years and comparing that total with the company's total interest dividend and rents earned.

The American, he declared, has accepted and rejected its risks with reasonable care, and has been guilty of no recklessness, extravagance or wasteful policies in the conduct of its underwriting business.

Conflagration Allowance

The evidence as respects conflagration allowance is reported and the findings of the fire insurance committee of the National Convention of Insurance Commissioners recited but the master has left the question of the amount of the conflagration allowance to be considered by the court in the first instance.

As to windstorm catastrophes, it is held that such hazards present "a much larger element of pure chance than is the case of insurance upon the hazard of fire."

"The likelihood of tornadoes is much greater in the State of Missouri than in the United States generally, he said.

The frequency of it in Missouri is set out in 20 gradations of which Missouri is in the highest class of tornado frequency. It was contended by the companies that practice of reinsuring companies upon catastrophe reinsurance was a reasonable measure for consideration in setting up experience involving catastrophe losses and elimination from experience. The allowance to be made in this behalf is left for the court.

Automobile Fire Risks

The contention of the superintendent that automobile fire risks should have their experience included in the fire class is rejected and the master refuses to consider the experience on fire augmented by automobile fire because the result of such combined experience is not an issue in this case.

The state contended that all reinsurance transactions, including cessions to unauthorized companies, should be considered; whereas, the companies contended that only cessions to companies authorized to do business in Missouri should be considered, thus conforming to the requirements of the various reports to the state. The master finds explicitly that the authorized basis is correct and the unauthorized basis is incorrect.

The master finds aggregate experience of all companies in the state shows they were doing business at a loss either upon the earned or the written basis as to both fire and windstorm classes.

Aggregate Experience

The master finds the aggregate experience of all companies taking the increase into account, as if it were in force, would have produced an experience as follows:

Fire Insurance

Written premiums	$96,776,996
Paid losses and expenses	95,172,250
Trade profit	1,787,782
Ratio	.018
Earned premiums	92,120,348
Incurred losses and expenses	95,822,847
*Loss	3,519,463

Windstorm Class

Written premiums	$14,224,851
Paid losses and expenses	23,348,275
*Trade loss	9,095,932
Earned premiums	11,491,043
Incurred losses and expenses	23,790,705
*Loss	12,272,172

On the Master's Plan

Earned premiums	$11,491,043
Incurred losses and expenses	23,790,705
*Loss	11,186,969

*Adjustments of expense as between investments and underwriting account, here omitted for sake of brevity, explain balance disparity.

Mr. Street expressed the belief the conclusions are clear that the master has found all the material facts in favor of the companies; that the case of the American ought to be won on any basis adopted; that it is possible and perhaps probable that the court will adopt the master's allocated plan which is so nearly that advocated by the companies that its adoption would establish the substantial contentions made in the case.

The case of the state was based primarily upon McGee's exhibits I to V. The master says: "The assumptions upon which these tables are constructed are unsound." The master further says: "No finding of fact is founded in whole or in part upon Mr. McGee's testimony concerning 'unapplied increase,' 'excess St. Louis commissions', the amount of interest on unearned premiums, the amount of tronado losses, or the amount thereof that should be charged to the normal Missouri experience." With this elimination of the key witness of the state the master has found all the facts substantially in favor of the companies.

The master will prepare and make his findings within the immediate future in the case of the Agricultural and Aetna Fire. Thereafter he will go for a vacation for a few weeks and then resume grinding out these reports which will come every few days from that time on taking nine months to a year entirely to complete them. Arguments on the law, to be presented to the court, will be made at an early date.

Expect Appraisal Issue to Subside

(CONTINUED FROM PAGE 5)

constructive, it has served to cause the leaders in the business to ponder over the fundamentals of the business and articulate their conception of the fundamentals. The North America has taken the position that requiring an assured to maintain a certain percentage of insurance to value and then refusing to counsel with him in arriving at those values is an unjustifiable procedure. They say that the fact that this is a traditional procedure does not validate it. They also say that by refusing to give such counsel, the stock companies are ham stringing themselves in competition with mutuals which do give such service.

What Opponents Say

Those on the other side of the fence, however, say that the service which an insurance company owes to its assured is to explain to him fully the insurance contract and to make him understand his responsibilities under that contract. They feel that, whether or not there is an agreement, that the supplying of appraisal service serves to cut the pattern of the loss and convert the contract into a valued policy.

However, the primary objection to the course of action of the North America was the fear that a dangerous competitive factor was being injected into the business. Other companies would retaliate either by undertaking to give similar service, individually or cooperatively, or would merely seek to offset the advantage of the North America by cutting the rate.

The particular theaters of action which brought the North America into the limelight and brought the issue to a head were Granite City, Ill., and the Catholic diocese of Peoria, Ill. At Granite City a slip-up occurred, for which the management of the North America was in no way responsible, but which clouded the issue to a considerable extent. A young subordinate of the North America, on his own initiative, wrote the school board of that city, saying that the appraisal would be binding in the event of a loss if the North America got the entire line. As soon as the management of the North America discovered the existence of that letter, it was repudiated, and the business was cancelled. This letter, however, was widely quoted, especially by field men and the impression got out in some places that this was the usual practice of the North America. As a matter of fact, the North America, in giving the appraisal service, causes the assured to sign a statement to the effect that he recognizes that the appraisal is not binding in the event of loss.

Then, on top of the Granite City situation, came the Peoria deal. The bishop of this diocese, who has an eye to efficiency, felt that the insurance was being badly handled. The North America through the Rayburn agency was given the job of surveying the situation and seeing what could be done about consolidating the coverage and modernizing it. Many agents throughout the diocese felt that they were to be affected and agitation was started, which grew to greater proportions, and caused much turmoil.

Thus a variety of issues and circumstances became involved in the controversy.

Separation Question

Although the appraisal question overshadowed matters at the Western Underwriters Association meeting, a number of other important questions came up. The suggestion of President Walter D. Williams that the membership consider the advisability of separation in the large centers is, of course, a long look ahead. Anyone in the business can cite innumerable obstacles and Mr. Williams knows the obstacles as well as anyone else, but many regard the fact that the suggestion was made as an evidence of the vitality of the organization. Mr. Williams' address, at least, will serve to impress those agents and brokers who are making destructive use of a non-affiliated market with the fact that the organization companies are not complacent. The organization companies feel that they constitute the backbone of many of these offices which are using a non-affiliated market and that such agents are not playing the game.

Decision was reached to have the deliberations of the so-called over organization committee carried on hereafter by a subcommittee of the governing committee. The over organization committee was set up a year ago to study the possibilities of having the

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COMPLETE facilities afforded every agent that represents this company.

NEWARK, NEW JERSEY

Western Underwriters Association assume jurisdiction over allied lines, including automobile, hail, explosion, farm, sprinkler leakage, etc. In its deliberations, the committee found that the knottiest problem concerned automobile. No doubt jurisdiction of hail and farm, for instance, could have been taken over months ago, but the committee decided not to act piece meal but to wait until a proposal could be submitted governing all of the allied lines. Although leaders in the association recognize that the eastern executives might be opposed to any action, which might seem to threaten the integrity of the National Automobile Underwriters Association, yet the project is not being abandoned.

One reason for deciding upon Manchester, Vt., as more or less of a permanent meeting place for the fall meeting was to suit the convenience of Hartford executives.

Putnam New Head of Ad. Conference

(CONTINUED FROM PAGE 4)

licity man to see that news releases, concerning his company, are sent promptly and in as concise a form as possible. They have it in their power to make the names of their companies household words, among insurance men, by becoming reporters of their companies' activities.

Following the election of new officers, a new constitution was adopted by unanimous consent. It conforms with recommendation of Retiring President Withe and combines life, fire, casualty and surety groups under one organization. Three classes of members are provided for: active voting members, active nonvoting members and associate members. An innovation is the elimination of executive meetings during general sessions of the conference. Hereafter all such sessions will be open. An important change was made in abolishing the limited term of office. Thus an officer may succeed himself. Another change is removal of reference to desirability of selecting candidates because of company affiliation or geographical location. The annual dinner was held Monday night, and Lowell Thomas was speaker of the evening. Musical entertainment followed.

Program the Second Day

The opening address the second day was by A. W. Nelson, assistant general manager National Board, on "What the National Board Is Doing for the Insurance Business Along Publicity Lines." He discussed the educational work done in schools and colleges throughout the country. Fire prevention Week starting Oct. 8 offers opportunity for spreading information along this line. Agents can help greatly, he said. The aims of the National Board are to convey to the public the right conception of stock fire insurance companies and their relation to all other business. In this connection, he said, it is necessary to keep strict watch on newspaper articles and cartoons tending to discourage insurance.

Companies should feel that the National Board is eager to render them every aid.

Muldaur Talks on Laboratories

Closely connected with this was the talk of G. B. Muldaur, general agent Underwriters Laboratories, who cited the growth of the laboratories from the foundation in the last century. Mr. Muldaur accompanied his talk with interesting delinescope pictures showing severe tests to which all devices are put before being approved by the laboratories.

J. J. Hall, director of the street and highway safety division, National Burea uof Casualty & Surety Underwriters, spoke on the value of conservation work and its relation to insurance advertising and publicity, pointing out actual benefits the public gets in stock casualty insurance. Safety is the chief concern both of the public and insurance companies. Publicity men, by pointing out conservation work done by companies, win approbation of the public for their business on the grounds of common interest and should stress that the public controls insurance rates by its attitude on accident conditions.

Campaigns originating in the National Bureau have effected traffic regulations throughout the country. This building of public good will is a new approach in business getting methods and companies continually reap rewards of service given by the bureau.

Betterley Addresses Group

P. D. Betterley of the Graton & Knight Company of Springfield, Mass., speaking for the American Management Association, gave sound advice on how insurance men can make it easier for insurance buyers. The public is ignorant of action of insurance companies. Understanding of this will instil confidence. Service should include complete interpretation of insurance contracts before loss. This could well be done in advertising copy of an informative character. Insurance is often misused, he said. Thorough analysis of hazards, together with rearrangement and distribution of coverage would correct this. The following changes were suggested: More extensive use of combination policies especially in the liability field; insurance contracts couched in simpler terms and flexibility of such contracts with voluntary adjustments according to condition. Uniformity of laws is essential. Such changes would remove the mystery from insurance, he said. In conclusion, Mr. Betterley advocated the establishment of a research bureau for fire and casualty companies.

Talks on Research Bureau

K. R. Miller, of the Life Insurance Sales Research Bureau, Hartford, was the next speaker. He explained the work and aims of the bureau in its collection and distribution of material to companies. Mr. Miller urged advertising managers to discuss their problems with the bureau, which has both inside and outside viewpoints and is always available to them.

The feature of the fire and casualty group meeting presided over by C. A. Palmer, North America, was discussion of sectional or national mail advertising. F. S. Ennis, America Fore, advocated the former. The question of charging agents for special service and supplies was introduced with divided opinion on the subject. Harold Taylor, American of Newark, threw considerable light on this with concrete illustration of how his company has educated its agents to write. Use of advertising matter, house organs and their value were discussed with strong opinion for and against their existence.

One of the most interesting talks was that by P. W. West, general manager National Advertisers Association, on how legislation at Washington is affecting advertising. The day of business exploitation is over. Now is the time to set one's house in order. Hearings at Washington are open and fair. Four bills concerning advertising now are up for consideration. The government cannot watch individuals so it is looking to associations for cooperation. A great day of opportunity is here for such organizations and they should seize the advantage.

The last feature of the afternoon was two moving picture presentations. H. R. Doughty, president H. R. Doughty & Associates, showed a type of motion picture advertising used by the national advertisers and A. L. Reinitz an audio production of illustrated industrial motion pictures.

The conference ended late Tuesday afternoon with a feeling on the part of all members that it was most successful both in attendance and accomplishments. Just before the close a telegram was read to members from Chauncey S. S. Miller, who was operated on Monday nigt, sending his greetings to all.

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Does Check Mean Payment?

Interesting Decision Over Joint Instrument Issued to the Mortgagor and Mortgagee

In Union Central Life vs. Iowa Mutual, the Iowa supreme court decides a case involving the question whether a check operated as payment of loss. S. J. Pritchard was the assured and the Union Central, mortgagee, having loaned $25,000. At the request of the Union Central, the Iowa Mutual issued a joint check for $2,034 payable to the mortgagor and assured. The assured refused to endorse the check and it was never presented for payment. The Iowa Mutual refused to issue a new check payable only to the Union Central. The check was executed Aug. 10, 1931, and the DeWitt Savings Bank on which the check was drawn closed Oct. 1, 1931. The Iowa Mutual got a 20 percent dividend on the check.

The Iowa supreme court holds that the check did not operate as payment of the loss. Acceptance of the check by creditors, it states, is not necessarily a payment of the claim. Under various circumstances and by agreement or intendment it may operate as a payment but the court says there was no agreement that the check issued in the amount of the adjusted loss should be a payment therefor. It declares that the Iowa Mutual had no intention at the time it issued the check that it should operate as payment. This is shown by its later acts and conduct. Under the decree of foreclosure a deficiency judgment resulted in exactly the amount of the loss, $2,034. Therefore, the court says, the interest of the Union Central in the loss was determined as the full amount thereof. The decision of the lower court in favor of the Iowa Mutual is reversed and the case remanded.

D. A. Thomas of Dayton has been appointed special deputy superintendent of insurance to rehabilitate or liquidate the **Montgomery County Mutual Fire** of Dayton.

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Note Plan Gains Ground in Texas

(CONTINUED FROM PAGE 13)

pay plan, a child of the depression, has been in vogue for some time, but recently has become rather general with the general agencies in Texas.

Many of the fire companies are accepting notes in payment of fire insurance premiums, especially when those premiums are on three or five year business and involve considerable amounts of money. As a general rule these notes are distributed over 12 equal monthly payments and bear six percent interest. The first payment is due 30 days after notes are taken. In case of non-payment of notes within five days after a note is due the policy is canceled if the assured can not meet the balance due on all notes.

The notes are secured only by the unearned premiums, but before notes are accepted for premiums on business written the fire companies through their general agents and the field men investigate the financial standing and responsibility of the assured. Few cancellations are reported under the note system for payment of premiums.

No Carrying Charge

There is no carrying charge in connection with the note system used in Texas. The fire companies handle their own notes. No finance company is involved. The six percent interest is all the additional funds the assured has to pay for extending his premiums over 12 months and that is considerably less than he would have to pay at the bank if he borrowed the money to pay the premiums in a lump sum.

The agent's commission on the note plan is paid by the general agency on the first collection made. The general agency does the collecting of the notes, leaving the agent writing the business with no worries other than making his regular report show the amount of "note business." The general agency keeps the agents in the field informed of the status of all collections and correspondence relative to "note assureds" he has put on the books. The companies then accept these notes in payment of accounts of general agents.

Says Plan Increases Business

General agencies in Texas which are using the system report the plan has increased their business. They declare it provides a way for the assured to distribute his insurance premium payments over a long period and thus aids him in caring for other business in times like these.

The companies which do not accept notes in payment of premiums are reported losing a good deal of business. Some general agencies have companies in their office which do not accept notes for premiums. When policies in these companies are up for renewal and the policyholder can not get the money together, the general agent writes the business in a company which does accept notes. The agencies are thus able to hold their own business. But since there are many companies not writing under the note plan, it is natural that the competition for large premiums in "cash" companies is keen when renewal time comes. Not all of this "big cash" business is going on the "note plan," but much of it is.

A surprising thing in connection with the note system is that many agents in the field look on it with suspicion. They are inclined to believe it is a plan with heavy carrying charges. The general agencies, however, are rapidly educating the field men and the agents.

The note system is just and equitable, declare the general agencies using it. They all declare they do their best to get cash for premiums, but if this is impossible, and the assured is financially and morally approved his notes are acceptable to some of their companies. They admit companies not writing under the note plan are losing business in Texas and predict they will lose more, but they declare it is a situation which can not be remedied at the present time. Some of the general agencies declare the note plan is here to stay. They say the fire companies have found there are few cancellations under it and that the six percent interest charged on the premium notes amounts to a considerable sum of money at the end of the year.

Truck Hi-Jackings Attracts Attention

(CONTINUED FROM PAGE 13)

shoot their way out of stickups. While the drivers are armed, this is done only to comply with the underwriters' requirements.

The Silk Association's prevention work may be summed up in its drivers' slogan, "A bullet-proof cab and drive right through 'em." Behind this slogan, however, lies an untold amount of patient and intelligent work. The biggest job was to build up the morale of the drivers. Selling the program to the man behind the wheel and his helper required tact and strategy. The drivers and helpers were required to furnish bonds, mostly for the investigation so obtained; they were fingerprinted; their records, relatives, associates and neighborhoods were carefully looked into for possible gang connections; they were required to carry certificates of identity with their photographs; their trucks were equipped with secret devices to show how far the machines had been driven and at what times. All this was resented by the men on the trucks as seeming to class them with criminals.

Drivers' Cooperation Secured

By telling the men that they were being suspected as a class anyway and that the purpose of the program was to weed out criminals so that the honest ones would not be suspected, the drivers cooperated with better grace. In addition the photographs made it possible for police to know whether the driver on a truck was the real driver or one of a gang who had stolen it. The distance- and time-recording device also helped greatly in determining the probable area in which an abandoned truck had been driven before being unloaded and deserted.

The association strengthened its hold on the drivers by getting an increase in pay for them. It was found that an adequate wage made it much easier for the drivers to resist the temptation to sell out to the thieves.

Culling out the criminals or those with gang affiliations or having questionable records aided greatly in cutting down holdups. When the prevention work was first undertaken it disclosed an amazing laxity on the part of those responsible for hiring the truck operators. In some cases it was even found that men charged with other truck robberies and out on bail were driving silk trucks. The association insists on having complete control over the men on the trucks, even to the right of discharging them. It has never been forced to exercise the latter right but it has been necessary and effective in obtaining the cooperation of the drivers.

Bullet-Proof Cab Stops Them

With the drivers' morale adequately bolstered, the bullet-proof cab has so far been all that is necessary in the way of armament. The word soon got around in the underworld that anyone who tried to stop a silk truck by crowding it off the road ran a good chance of getting his car demolished and himself killed, for the protective cabs gave the truck drivers the courage to plow right through any car that attempted to get in their paths. Because the thieves knew this, silk trucks were let alone.

One reason why the bullet-proof cab is ample protecton is that hi-jackers almost never hold up a truck in the open country or sparsely settled communities, but prefer the city streets in a well populated section but where no policemen are stationed. In the country the truck must be driven a greater distance to hide it and transfer the stolen merchandise. There are fewer places to hide it and they are much more quickly discovered in a search than is the case in the city. In the streets of New York, for example, a truck can be held up, driven a few blocks and hidden before there is a chance for pursuit to start or possibly before anyone outside the thieves and the driver knows a holdup has taken place.

Application Not Accepted

Kansas Supreme Court Held That a Windstorm Policy Was Not in Force

The Kansas supreme court in Moon vs. Central States Fire decided a case where an action was started to recover for windstorm damage. The application had been made and rejected by the company nearly a month before the storm but the agent had not notified the assured. The question then is, was the property under these circumstances insured?

The supreme court says that the making of an application is merely a step toward the creation of a contract. It is a proposal and it must be accepted in some way or manner by the company before it becomes a contract. While it was the duty of the agent to promptly volunteer to the applicant the information that his application had been rejected, yet when the applicant had frequent opportunities to inquire as to its acceptance or rejection, and in the absence of any ground for belief induced by the company that it had been accepted, the applicant is not in a position to charge the company with the responsibility for the property not being insured. The court said:

"Mere delay on the part of the agent to notify the applicant of the rejection of his application when the applicant had opportunity for frequent inquiry, will not, as a general rule, constitute a contract of insurance, and such failure or silence on the part of the agent will operate as an assent and create an estoppel only where it has the effect of misleading the applicant."

Judgment for company was affirmed.

Miscellaneous Notes

J. H. McDonald, 62, Zanesville, O., local agent, was killed in a fall from a window of his office.

The **Nebraska Fire Prevention Association** will make an inspection of Wayne Oct. 11.

The **North Dakota Fire Prevention Association** will make an inspection of Devil's Lake Oct. 11.

The **Lupton Insurance Agency,** Martin's Ferry, O., has been incorporated by C. E. Ote, Fred Campbell and John Johns.

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September 28, 1933 CASUALTY AND SURETY SECTION Page Thirty-one

Aetna Life Plan Is of Interest

All Casualty Lines to Be Diverted to the Aetna Casualty and Surety

WILL TAKE LONG TIME

Parent Company Will Ultimately Write Only Life Insurance—President Brainard's Comment

HARTFORD, CONN., Sept. 27.—President Brainard of the Aetna Life made an important announcement in which he told of a change in the underwriting policy which is far reaching in its ultimate results. The Aetna Life beginning Oct. 1 will gradually reduce its volume of insurance other than life by transfer of casualty lines to the Aetna Casualty & Surety, its running mate. The Aetna Life will retain accident and health for some time but it is predicted that in due season the parent company will be purely a life company. It is planned to put the new program into effect in a progressive way. The new rule will be applied first to territory west of the Mississippi river.

Lines Aetna Life Writes

Starting Oct. 1, the Aetna Life in addition to life, health and accident writes various forms of liability and workmen's compensation. President Brainard in his statement said, "This decision was reached after long consulation and discussion and will not precipitate a drastic change or effect immediately. As this new program will be carried out, life insurance alone will be written in the life company with casualty and surety, automobile and fire being handled by our other companies."

It has been the expectation of the Aetna Life officials that the parent company would return to its pristine field of life insurance and allow all other lines to be written by its associated companies. The Aetna Life has as affiliates the Automobile of Hartford and Standard Fire writing all marine and fire lines. Therefore the line of demarcation will be more closely drawn so that the Aetna Casualty will take all the casualty lines, leaving the Aetna Life to pursue its course ultimately as a life company.

PRESIDENT'S COMMENT

HARTFORD, CONN., Sept. 27.—In discussing the recent announcement that commencing Oct. 1, all business, new and renewal, with the exception of personal accident, health and group, written by the accident and liability department of the Aetna Life, will be written by the Aetna Casualty & Surety, President M. B. Brainard declared that it will take at

(CONTINUED ON PAGE 36)

Company Failures Mainly Due to Wrong Judgment

WHITE SULPHUR SPRINGS, W. VA., Sept. 27.—Concluding his address on "The Casualty Companies and the Depression," at the meeting of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents, Commissioner Merton L. Brown of Massachusetts gave this warning: "Let those casualty companies whose executives are permitting practices that impair their stability profit by the failures of the past."

"There is convincing evidence that a large number of the failures of casualty companies during recent years have been due in large part to loose, if not reckless, investment and underwriting policies and practices," said Mr. Brown. "It seems safe to affirm that if more circumspect and conservative methods in respect to investments and underwriting had been pursued in the years of prosperity, some if not many of these disasters would probably have been averted.

"While the insurance executives of 1929 had no prophet to warn them of the coming depression, a prudent consideration of the experience of the past would have served to impress upon them the fact that the days of prosperity would pass."

More Care in Investments

Referring to investments, Mr. Brown indicated that speculative investments do not belong in the portfolio of a casualty company. He referred particularly to common stocks and real estate bonds. He justified the use of the convention values on the ground that, having a situation to deal with, it was necessary to approximate the true value of the insurance investments.

More stringent investment laws were suggested by Mr. Brown for the fire and casualty companies. The laws are very complete on the investments of life companies, but less so on those of fire and casualty institutions.

Turning to another factor in company failures Mr. Brown said: "The extent to which underwriting has been responsible for the failure of certain casualty companies cannot be definitely determined, but that such underwriting has been a material contributing cause is not to be denied.

Pressure on Underwriters

"The decisions of the underwriter being made without the aid of any definite standard, and their value depending upon his ability to forecast the probably experience of a risk, it is easy to excuse his mistakes. His task is a most difficult one. His decision to reject or cancel a risk may impose a severe hardship upon both the apolicant for insurance and the agent. Adverse decisions are not apt to be graciously received. The applicant and the agent may denounce his decision as unfair and arbitrary.

"Consideration for the agent, especially if he is a good producer, many times induces the issue or continuance of a policy on a risk against the recommendation of the underwriter. Company executives not infrequently deem it good policy to stimulate the productive efforts of an agent whose risks on the whole have been profitable, by not too vigorously rejecting risks which will quite evidently prove unprofitable. The occasional acceptance of a doubtful risk may not be particularly detrimental, but too frequently agents whose production is voluminous wield an influence that is so highly persuasive that they are in effect the underwriters and dictate the company's underwriting.

Get the Undesirables

"There have been, and doubtless are, companies which deliberately adopt and consistently follow loose underwriting policies, with the sole objective of procuring an aggregation of risks voluminous in quantity. Not infrequently these companies are what are known as 'cut rate' companies which, more or less openly, and perhaps in circumvention of law, insure risks at rates that evidence as great a disregard for their stability as do their loose underwriting policies.

"This type of company attracts the risks that are the most easily acquired and retained by any insurance carrier, the most undesirable, and caters to the relatively small group of agents who are ready to place any risk upon which a commission accrues to them. Companies of this type are essentially promotion schemes. They have no justification for existence which is ordinarily relatively transient."

Mr. Brown referred to the demonstrated hazard of mortgage guaranties. He said the possible loss to which a company exposes itself must be carefully studied in underwriting such risks.

Writing for Ready Money

The practice of deliberately putting on premium volume, with risks of poor quality, has not been uncommon in the past, according to Mr. Brown. This is done with a disregard of the necessity of a safe distribution of risks and results in an abnormal adverse selection. Mr. Brown also referred to the fallacy of the method. The new premiums will be needed for the new risks assumed, but where such a practice is indulged in, it is usually for the purpose of using the premiums for immediate needs. He declared the practice vicious.

"It is idle to criticise unsound practices without stressing the immediate necessity and pressing importance of corrective measures," said Mr. Brown. "The insurance business, although conducted by independent corporations, is to be regarded as an organic system. It requires no discussion to demonstrate that a failure of one company reflects on the system and adversely affects the business as an institution by seriously impairing the confidence of the insuring public. The person having a valid claim against a company that becomes insolvent quite naturally looks askance at all insurers."

Mr. Brown said there is no class of companies so exposed to the attacks of disgruntled claimants as the casualty companies, writing compensation insurance and automobile liability, under compulsory laws like that in Massachusetts or the financial responsibility laws in other states. He said such laws are not going to be repealed. The principle of monetary relief for the injured by means of insurance is established. "The continuation of the present system of insurance for the benefit of two large classes depends entirely upon the sound and successful operation of the companies to whom the public and especially the claimants look for their protection, and dictate the immediate necessity and pressing importance of adequate corrective measures that will demonstrate to the public that there is a sincere desire and intent to inaugurate a new deal in the casualty insurance business."

Compensation Up at White Sulphur

Plight of Line Gets Almost Exclusive Attention at Big Gathering

FETZER PLAN WINS FAVOR

Retrospective Rating Seen as Possible Cure for Part of Unfavorable Results

By GEORGE A. WATSON

WHITE SULPHUR SPRINGS, W. VA., Sept. 27.—Consideration of the highly unsatisfactory condition of workmen's compensation insurance and the practical measures that might be adopted to effect its improvement, supplied the dominant topic for review at the 1932 joint gathering of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents, so the subject is uppermost in the minds of members of both bodies at their meeting here this year.

The seriousness of the problem pointed out by Superintendent G. S. Van Schaick of New York in his address before the convention 12 months ago was stressed by him in his earnest talk at the initial session of the joint meeting today. Later it formed the occasion for a conference between Mr. Van Schaick, J. A. Beha, general manager National Bureau, and a committee of agents, and still later engaged the attention of the agents' organization at the gathering in the evening.

Attendance Is Not Heavy

While attendance at the convention, the 23rd annual as concerns the International Association, falls short numerically of that of former years, it is nevertheless thoroughly representative. The great majority of casualty and surety companies of the country sent one or more of their important officials. While many of the stalwarts are here

(CONTINUED ON PAGE 37)

May Impose Heavy Tax on London Lloyds Groups

WOULD GET READY SUPPORT

Regular Companies Would Welcome Any Plan to Curb Their Free Lance Operations

NEW YORK, Sept. 27.—That members of the London Lloyds groups are becoming uneasy over the prospect of the enactment of legislation by the federal government here and by a number of individual states, is evidenced by the eagerness with which they scan every possible bit of information bearing upon the subject sent them from these shores. Be it said in passing, their correspondents here are alert in picking up what ever real news or speculation may be going the rounds and relaying it to London. While overtures looking to the withdrawal of the principal Lloyds groups from the bonding field in the United States have been made by American surety company officials from time to time in recent years, the conviction is now general that the only effective means of dealing with London Lloyds would be through the imposition of heavy tax.

Look for Heavy Tax

When the next legislative season arrives the confident prediction is that measures sharply taxing premiums paid to unauthorized insurance concerns, will make their appearance in various legislatures, and in the present eagerness of public officials to develop new sources of revenue, the prospect for the passage of bills of such character is decidedly bright.

That a radical change of front in the present attitude of London Lloyds and their American patrons, will come about before the close of the year, would not surprise executives who have followed developments in recent months.

Eglof Stresses Safety Work

JACKSON, MICH., Sept. 27.—J. H. Eglof of the Travelers warned Jackson Rotarians, in an address during the past week on the new motorists' financial responsibility law, effective Oct. 17, not to expect the act to prove a "cure-all" of traffic ills. He said the law will be highly beneficial, however, in ridding the highways of incurably reckless drivers. "Much additional safety work must be done, however," he declared, "before a material improvement in the accident situation is effected." Some measure of protection, he said, will be afforded innocent parties to accidents who are now seldom able to collect damages.

Offers Insurance Scholarship

STEVENS POINT, WIS., Sept. 27.—For the third year the Hardware Mutual Casualty is offering a $4,800 four-year scholarship in insurance in the Wharton School of Finance and Commerce, University of Pennsylvania, to students of the local high school.

After the award is made in June, the scholarship winner is employed in July and August in the home office of the Hardware Mutual. It is not necessary that the student agree to enter the employ of the company after graduation from the Wharton school.

Special Libraries Meeting

At the meeting of the Special Libraries Association to be held in the Congress hotel, Chicago, Oct. 16-18, three of the main speakers will be Col. Frank Knox, publisher of the Chicago "Daily News" and A. D. Albert, lecturer and sociologist, D. C. Rich, curator of the Chicago Art Institute.

ACCIDENT AND HEALTH FIELD

Issues Special NRA Contract

Mutual Benefit H. & A. Brings Out Patriotic Form Bearing Blue Eagle Insignia

A special "NRA" policy is being issued by the Mutual Benefit Health & Accident of Omaha, the color scheme being a patriotic red, white and blue, with the blue eagle insignia occupying a prominent place on the front and back cover, and as well on a red seal at the bottom of the first page. It was designed to meet new conditions arising under the national industrial recovery program, applying only to men ages 16-55 and women ages 16-40, who are employed and receiving a salary placing them within the provisions of the NRA.

Principal amount is $1,500. There are the usual graded accident benefits, $100 financial aid, $15 surgeon's or doctor's fees, $50 per month total disability for life and $20 per month partial, all doubled for travel accidents.

Illness benefits are: $50 per month, house-confining, and $25 non-confining. The policy is noncancellable during any period of disability. Rates are: Quarterly—$10 first payment and $6 quarterly; monthly $6 first payment and $2.25 per month.

Central Casualty Modifies High School Athletic Form

The Central Casualty of Ohio has modified its athletic policies which it has been issuing in cooperation with the Ohio High School Athletic Association. The policies are issued under a group contract and the policy covering football only is now being issued at $2 per member. The other policy, which sells for $1.50 per member, covers baseball, basketball, soccer, cross country, formal team gymnastics, swimming, tennis, golf, speedball and track. The compensation for broken collar bone has been reduced from $30 to $25 and for broken ribs, two or more, the compensation has been fixed at $10. X-ray examination will now have an allowance of $5 instead of $2 and a maximum allowance for sprains and torn ligaments is set at $10. The school pays the premium. The policies do not cover college athletics. It is claimed for this insurance that it establishes a clear-cut line of demarcation between actual and theoretical responsibility of the school to the injured pupil.

Federation Reelects Officers

The International Federation of Commercial Travelers Insurance Organizations at its annual meeting in Chicago reelected all officers, including H. E. Trevvett, Commercial Travelers Mutual Accident, Utica, N. Y., president; R. A. Cavenaugh, Illinois Commercial Men's, Chicago, vice-president, and John S. Whittemore, Commercial Travelers Eastern Accident, Boston, secretary-treasurer. It was decided to hold next year's meeting in Yellowstone Park. The sessions were devoted to informal discussions of some of the problems which are particularly vital to the member associations at this time. The meeting was probably the largest and most successful ever held by the federation.

Under its auspices, a special Commercial Travelers Day observance was arranged at the Century of Progress exposition, with Governor J. B. Ely of Massachusetts as the principal speaker. Governor Ely's address was broadcast over one of the national networks. He was also the speaker and guest of honor at the luncheon session which concluded the federation's regular meeting.

New Peerless Policy

The Peerless Casualty is issuing a new automobile accident policy with an annual premium of $6. It allows benefits of $25 a week, total disability for 26 weeks and partial benefits for four weeks at $10 per week. The indemnity for accidental death, loss of sight, hands, feet, etc., is $1,000, increasing to $1,500.

Kentucky Central Shifts

T. O. West, secretary and treasurer of the Kentucky Central Life & Accident, who has been quite ill for several months past, is reported to be improving. Following the retirement due to illness of Manager E. W. Smith of the Kentucky Central at Indianapolis, Manager E. J. Walker at Cincinnati has been transferred to take charge of the Indianapolis district. Mr. Walker is succeeded at Cincinnati by E. W. Steffy, formerly manager at Dayton, O., and Mr. Steffy in turn is succeeded as manager at Dayton by R. H. West, formerly manager at Paducah, Ky.

Speak at Casualty Meeting



MERTON L. BROWN
Massachusetts Insurance Commissioner



GEORGE S. VAN SCHAICK
New York Insurance Superintendent

Better Street Lighting Is Conducive to Greater Care

AUTOMOBILE SHOWING GIVEN

Improved Illumination Results in Cutting Down Accident Frequency, Travelers Survey Shows

HARTFORD, Sept. 27.—That cities having improved street illumination show a better record of automobile accident experience than cities with inferior street lighting is brought out in a survey comparing the number of deaths and per capita cost of street illumination in 227 American cities which have a total population of more than 40 millions.

The survey brings out that from 5 to 8 p.m. in October, November, December and January deaths from automobile accidents in the 227 cities were nearly 103 percent greater than in the same three-hour period of May, June, July and August, although gasoline consumption is 25 percent less during the winter months. The logical increase in deaths in the winter months during the period from 5 to 8 p. m. because of adverse weather and poor road conditions, according to country-wide statistics, should not be more than 10 percent, thus indicating that the lack of light in winter months is responsible for an increase of 93 percent in deaths from 5 to 8 p. m.

Winter Accidents Increase

As the per capita cost of street lighting decreases, automobile accidents in the winter tend to increase in number, it is shown by the survey, developed by the Travelers, inasmuch as corresponding data were obtained from a number of the 227 cities for both last year and the year before. Twenty-two cities reporting for both years increased their street-lighting budgets in an amount equal to 9 cents per capita and 20 cities reduced their budgets 19 cents per capita.

For the country as a whole last year, deaths from automobile accidents decreased around 13.5 percent. In connection with this fact, the report on night-time accidents points out that in contrast the 22 cities reporting data for both last year and 1931 which increased street lighting costs only 11 percent reduced their night-time fatalities 25 percent, while in 20 cities, with an average decrease of 14 percent in street lighting costs, deaths from night-time traffic accidents increased more than 7 percent.

During the hours of darkness 336,200 automobile accidents occurred last year throughout the country and 15,500 deaths. During the hours of daylight, however, there were 409,100 accidents in which 13,500 persons were killed. The death rate per accident is thus shown to be nearly 40 percent higher in night-time than in day.

New Gibraltar Policies

Two new policies have been announced by the Gibraltar Life & Accident of Denver. The banker's special non-prorating policy, providing monthly benefits of $100, maximum $200, and accidental death benefit of $5,000, maximum $10,000, as well as illness benefits of $100 monthly with special hospital benefits, is being written for businessmen, bankers, doctors and all occupations, except hazardous, at $24, first payment, and $14 quarterly thereafter. For occupational hazards, classes C, D, E or F, $100 monthly indemnity, maximum $200, $2,000 P S, double indemnity $4,000, are offered at $27.50 first payment and $17.50 quarterly thereafter.

A non-cancellable "Ten Dollar Special" accident policy is a glorified travel accident form paying $10,000 maximum for loss of life, $150 maximum for loss of time and many other benefits. It is sold to both men and women, ages 10 to 65, and the annual premium is $10.

Gives Out Warning Against Unauthorized Underwriters

Superintendent Van Schaick of New York has warned the public relative to persons placing insurance in unlicensed companies doing business in New York. He states that persons in New York state patronizing companies not qualified under the laws, jeopardize their own interests because if a claim is disputed, the insurance department is powerless to assist. In case of litigation, the courts of New York State are without jurisdiction as there is no person designated within the state upon whom service can be made.

New York Statute Is Quoted

Attorney John A. Millener, secretary of the International Association of Insurance Counsel, commenting on this warning, states that there are companies which solicit applicants through the mail. Some request their policyholders to recommend or secure an application from some of their acquaintances. Many persons holding this class of insurance innocently solicit their acquaintances and even go so far as to put their name upon the application blank as recommending the person without knowledge that they are laying themselves open to prosecution under the criminal statutes of New York State.

New York has a penal statute which reads as follows:

"Any person acting for himself or for others, who solicits or procures, or aids in the solicitation or procurement of policies or certificates of insurance from, or adjusts losses or in any manner aids the transaction of any business for, any foreign insurance corporation, which has not executed and filed in the office of the superintendent of insurance, a written appointment of the superintendent to be the true and lawful attorney of such corporation in and for this state, upon whom all lawful process in any action or proceeding against the corporation may be served is guilty of a misdemeanor."

Conviction of a misdemeanor in New York is punishable by imprisonment for not more than one year or by a fine of not more than $500, or both. Attorney Millener believes that this statute is so broad that it lays a claim representative who goes into the state to adjust, or a physician who makes a medical examination, for one of these companies, open to prosecution.

Industrial Insurers First Session Program Announced

The program for the opening session of the Industrial Insurers Conference at French Lick Springs, Oct. 16-18, has been announced. H. N. Lukins general counsel of the Washington National, will welcome the gathering and P. M. Estes, general counsel Life & Casualty, will respond. The minutes of the last meeting will be read by Secretary P. W. Jones and E. T. Burr will give his presidential address. The reports of the following committees will be given: Credentials, J. A. Walker; good of the conference, B. L. Tatman, and grievance, F. J. Walker. Treasurer P. W. Jones will report.

New Deal for Industrial

Commissioner H. E. McClain of Indiana will talk and C. M. Biscay, Western & Southern Life, will discuss "The New Deal for Industrial Agents." Mark Archer, general counsel Empire Life & Accident, will also talk. The membership report will be given by B. H. Handy and the golf committee will be reported by Raymund Daniel.

On the second day A. B. Langley, vice-president of the Carolina Life, will discuss "Looking Forward."

J. A. Brennan, Comments on Amended California Measure

J. A. Brennan, independent claim adjuster of San Francisco, comments on the amended California detective license law which became effective Aug. 21 this year. The title of the act now includes the word "investigator" as well as detective. It has been broadened to include insurance investigation people and all others engaged in personal liability investigations. Mr. Brennan in speaking of the amended law says:

"This law includes insurance investigators and describes them as detectives. Consequently, this affects the rank and file of insurance claim adjusters, inspection agencies and other investigators employed by companies on a part time basis, to investigate claims of every description. The law does not seem to affect investigators for insurance companies who work on a salary or represent one or more companies on a retainer basis. Nor, does it include those who do not advertise or solicit business from insurance companies. Many independent operators on the Pacific coast call themselves insurance claim adjusters, who in the opinion of the writer are not affected by this amendment although it is readily undertood, to adjust a claim satisfactorily to all concerned, some investigation is made by the adjuster to satisfy himself in the interest of the policyholder and the company that the claim should be paid or rejected. Whether the law affects this type of adjusting is difficult to determine.

"From an insurance standpoint and in the interest of the home offices that are obliged to employ adjusters or investigators, for hire by the day or for the length or termination of any claim, it is a decided advantage that men so employed should be licensed with the detective license department of the State of California. The license fee is $50 per year and a bond of $2,000 required."

Conference on Michigan's New Responsibility Law

LANSING, MICH., Sept. 27.—A conference for Oct. 3 has been called by state department officials relative to the motorists financial responsibility law which becomes effective Oct. 17. Orville Atwood, head of the motor vehicle division, and Louis Morony, whom he has designated to administer the new law, will go over the forms to be used and will discuss the law's provisions and departmental interpretations.

Watkins and Brown Act

Kenneth Watkins, Detroit, chairman of the educational committee of the Michigan Association of Insurance Agents and Howard Brown, counsel for the American Automobile Association and the Detroit Automobile Inter-Insurance Exchange, have been serving as chairmen of contact committees in preliminary conferences with state officials and have helped arrange for the conference next week.

Mr. Morony is speaking before various insurance groups in regard to the new law and is scheduled to address the Michigan association meeting in St. Joseph next month.

The **Standard Surety & Casualty** of New York has appointed the Andrews Insurance Agency of Kankakee, Ill., as general agents.

Get Problem Off the Dead Center

Van Schaick Tells White Sulphur Men That Drifting Is Not a Cure

ACTION NEEDED ON COMP.

Will Not Remain Private Business Unless Companies Bestir Themselves, Says Superintendent

WHITE SULPHUR SPRINGS, W. VA., Sept. 26.—Addressing the convention of casualty and surety men here today Supt. Van Schaick of New York declared that in some respects a fundamental overhauling is in order, so that known defects may be remedied for the future.

"Every time," said Superintendent Van Schaick, "that a company is taken over by the department of insurance it is possible to perform an autopsy and learn what may have been unknown before. It has always been believed that there is a definite relationship between surreptitious rate cutting and insolvency. Proceedings in the course of liquidation have proved it conclusively. The same relationship to insolvency is seen in other well-known practices which are forbidden by law and condemned in public but sometimes indulged in through the stimulus of competition."

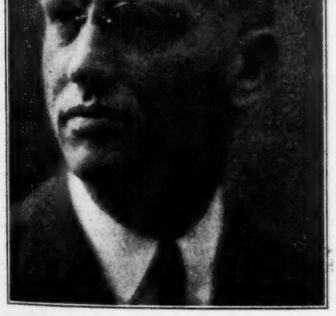
Something Must Be Done

Attention was also called to the tendency which developed during boom times to indulge in unsound underwriting and counterbalance by making profits on investments. "Nothing could be more salutary for insurance as a whole than to have that bubble burst. Sound underwriting coupled with high grade management is the best protection that is afforded the public. It is hoped that the sad experience of speculative investments has sunk deep and wide."

Speaking of workmen's compensation insurance, Superintendent Van Schaick said: "Something has to be done in the compensation field that will get large

(CONTINUED ON PAGE 36)

CASUALTY ASSOCIATION LEADERS AT WHITE SULPHUR



J. ARTHUR NELSON, Baltimore
President Company Organization



THOMAS E. BRANIFF, Oklahoma City
President Agents Organization



F. ROBERTSON JONES, New York City
Secretary Company Organization



CHARLES H. BURRAS, Chicago
Secretary Agents Organization

GENERAL AGENTS

This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.

The value to agents of placing business through General Agencies was never more apparent than today. . . . General Agents are always willing and ready to help Local Agents with any insurance problems. . . . General Agents know their territory by being right on the ground and their knowledge saves Local Agents and their assureds dollars as well as valuable time. . . . Get acquainted with your nearest General Agent listed below. . . . You will find that contact helpful.

ARKANSAS

COATES & RAINES, INC.
LITTLE ROCK, ARK.

CALIFORNIA

EDWARD BROWN & SONS
SAN FRANCISCO, CALIFORNIA

GEORGIA

HURT & QUIN, INC.
ATLANTA, GA.
Territory:
Georgia, Alabama, Florida, So. Carolina

A. H. TURNER
ATLANTA, GEORGIA

KANSAS

KANSAS UNDERWRITERS
WICHITA, KANS.
Territory:
Kansas, Missouri, Oklahoma

KENTUCKY

BRADSHAW & WEIL, GEN. AGCY., INC.
LOUISVILLE, KY.

MICHIGAN

A. J. HOLSTEIN GEN. AGCY.
DETROIT, MICH.

MISSOURI

J. H. GOOD
DWIGHT BUILDING
KANSAS CITY, MISSOURI
Territory:
Missouri and Kansas

M. L. LINTON & COMPANY
COTTON BELT BLDG.
ST. LOUIS, MO.
Territory: Illinois and Missouri

NEBRASKA

THE HARRY A. KOCH CO., Inc.
INSURANCE
OMAHA

TEXAS

CRAVENS, DARGAN & CO.
HOUSTON, TEX.
Territory:
Texas and New Mexico

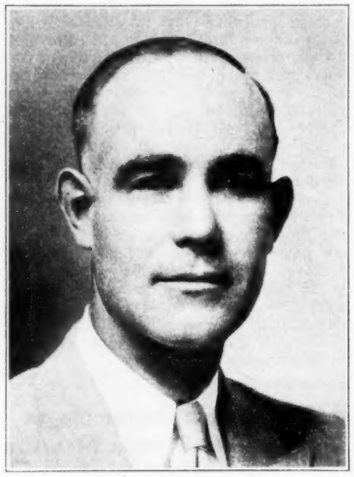
These General Agents Do not Compete with Local Agents—They Are in Effect Home Offices in Their Territory

CHANGES IN CASUALTY FIELD

With Massachusetts Bonding

F. M. Gumm Leaves Fidelity & Casualty to Become Assistant Manager at Kansas City

KANSAS CITY, MO., Sept. 27.—F. M. Gumm, for the past three years special agent in Missouri for the Fidelity



F. M. GUMM

& Casualty, has gone with the Kansas City branch of the Massachusetts Bonding as assistant manager. F. G. Packwood is manager.

Before going with the Fidelity & Casualty Mr. Gumm was a local agent at Clinton, Mo., for more than ten years. In his new position he will do some field work, covering western Missouri and Kansas territory.

Walsh and Roberts Appointed

While on the west coast last week, Spencer Welton, vice-president of the Massachusetts Bonding, appointed E. J. Walsh of Los Angeles manager for southern California. He named at the same time Oliver Roberts as general agent in Los Angeles. Mr. Walsh was formerly assistant manager for the Canada Surety with offices in Montreal.

Angelus Indemnity Appointments

The Angelus Indemnity of Los Angeles has appointed Karl Lainer assistant vice-president in charge of the special risk department. S. C. Ansorge and E. F. Karst have been appointed special agents in southern California.

Great Lakes Appoints Two

The Great Lakes Casualty has appointed two more general agents in Chicago; Charles Ringer & Co., 79th & Exchange avenues, and Boyle-Flagg-Seaman, 222 West Adams street. The Kraft-Kafka agency was previously appointed in Chicago.

General Accident Opens Office

The General Accident has opened an office in the Buckeye building in Columbus. J. S. Warren, Houston, Tex., will be in charge, assisted by Dwight Friend, at one time with the Travelers.

The Standard Surety & Casualty has appointed the Andrews Insurance Agency of Kankakee, Ill., general agent.

WORKMEN'S COMPENSATION

Depression Is Felt in Losses

New York Labor Department Finds Loss of Workmen's Skill, Deterioration of Machines, Factors

NEW YORK, Sept. 27.—The New York Department of Labor classifies industrial accidents in two general categories, those attributable to machines and those chargeable to the human element. In a bulletin it states machine accidents have been substantially reduced but human accidents have increased relatively and actually. Such recklessness may not properly be charged to employers, the great majority of whom equip machines with all possible safeguards, and constantly seek to impress on employes the necessity of exercising care in order to avoid accidents. Despite the attitude of the employer the department reports, "although the worker suffers from every accident, he does not as a rule make any great effort to train himself in caution."

The extent to which malingering has been indulged in during the period of depression in industrial circles is impossible to state, but that it has prevailed to a considerable degree casualty underwriters are convinced. An additional cause of loss has been through injuries accidentally sustained by workers, who, but partially employed for years, have lost their skill or who have operated machines that deteriorated somewhat through partial disuse.

W. A. Chowen, manager California Inspection Rating Bureau, will address the American Society of Mechanical Engineers Oct. 11 on "Safety Engineering's Effect on Compensation."

Check Attorneys' Measures

California Bar Group Seeks to Gain More Fees by Sponsoring Compensation Amendments

SAN FRANCISCO, Sept. 27.—Attempts of a group of attorneys, members of the California State Bar Association, to get that organization to draft and sponsor several amendments to the workmen's compensation and insurance law, which in effect would throw considerable more fees in their hands, has at least been temporarily halted. Opposition, somewhat belated because of lack of knowledge of the report until a few hours prior to the Association's convention in Del Monte, Sept. 21, organized quickly as members of the Industrial Accident Commission, labor, self-insurers and compensation writing companies were advised of the threat contained in the report.

Seek Prompt Action

Strong and well organized supporters of the report attempted to have it adopted shortly after the convention assembled and got down to business. Reading of the statement precipitated a vigorous and heated debate with attorneys representing compensation carriers, labor and self-insurers fighting to have it defeated. As a result of a vote the entire report was referred to the board of governors of the Bar Association. According to the opposition the fight will be carried to that body to prevent its approval and presentation of amendments to the 1935 legislature.

Among the proposals were suggestions that the law be amended to prohibit the industrial accident commis-

sion from advising any claimant that an attorney was not necessary or was optional; that the bar association be empowered to set fees regardless of the amount fixed by the commission; that it be mandatory that one member of the commission be an attorney; that doctors for companies or defendants in actions be compelled to submit reports to attorneys for the claimant in advance of hearings; that payment of salaries to members of the commission be withheld under certain conditions; that parties filing medical reports be compelled to bring the doctor completing such reports in for cross-examination; that the referee's notes and memoranda be made a part of the record.

The entire report, which goes into considerable detail, has been described as an "ax-grinding proposition on the part of certain members of the state bar."

Sillicosis a Factor

BOSTON, Sept. 27.—Sillicosis, or pneumonoconiosis, will be a big factor in the fight for a monopoly state compensation insurance bill in the Massachusetts legislature this winter. The labor unions have been fighting for state insurance for several years. They are capitalizing the fact that 40 employes of a foundry were discharged, on account of the sillicosis hazard, when an insurance company refused to assume the hazard in its compensation policy. On the other hand, the opposition asks why the state should pay the cost of this hazard for a few enterprises like foundries, quarries, etc.

The theory of workmen's compensation laws is that industries must bear the cost of the human waste, but the foundry owners, quarrymen, etc., object to paying the rates that would be necessary to cover the sillicosis hazard.

Deny Decrease for Miners

OKLAHOMA CITY, Sept. 27.—The plea for a 66⅔ percent reduction in workmen's compensation rates filed by the Oklahoma Mine Operators, has been denied by the Oklahoma Insurance Board. Operators had protested the $9.90 per $100 previously granted by the board for miners north of the Canadian river and $12.23 for those working in mines south of the river. These rates were set by the board as a guide for the recently established state insurance fund, which writes this class of coverage.

Rules on Public Carriers

OKLAHOMA CITY, Sept. 27.—The Oklahoma Insurance Board has ruled that newspaper carriers take the same rate for compensation insurance as other employes of the newspaper's mechanical department, except those who have no actual access to the plant.

Annual Meeting Oct. 17

Decision was reached at a special gathering of the Surety Association of Chicago to hold the annual meeting of that organization Oct. 17. There will be a business session in the afternoon of that day and then a trip will be made to the world fair grounds for an evening party. The Surety Association of Milwaukee has been invited to participate in the high life.

A nominating committee was appointed, consisting of J. L. Maehle, American Surety, chairman; P. J. Loranger, Fidelity & Deposit, and Tom Cunningham, Globe Indemnity.

After discussing the increase in rates for notary bonds in Illinois from $5 to $20, Secretary T. E. Dunne was instructed to request the Towner Rating Bureau to revise this charge. The tariff was increased because of a new Illinois law holding a notary responsible for money entrusted in his care for forwarding.

The **Travelers Mutual Casualty** of Des Moines has been admitted to Nebraska.

CASUALTY PERSONALS

N. H. Bretz, home office casualty underwriter of the Western & Southern Indemnity, died last week. The funeral and interment took place in Chicago. Mr. Bretz leaves a widow and two children, a boy and girl. His parents reside in Chicago. He was formerly connected with the head office of the London Guarantee & Accident in Chicago and when it was moved to New York he accompanied the organization there. Later he was associated with the Southern Surety, first at St. Louis in the head office and later in Chicago.

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Harry Lardner, 62, for the past 18 years safety engineer for the Standard Accident, was killed instantly in an auto crash on his way to Toledo to take a test to qualify as a safety engineer under Ohio regulations.

—

J. A. Beha, Jr., son of the general manager of the National Bureau of Casualty & Surety Underwriters, is now a freshman at Williams College, having been admitted following his graduation from the Canterbury preparatory school last June. He will specialize in the study of law intending to follow his father's profession. Mr. Beha Sr., received his L. L. D. from Manhattan College of New York City some years ago.

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Sam C. Carroll, assistant to the president of the Mutual Benefit Health & Accident and United Benefit Life of Omaha, and **E. D. McKim** of the agency department, who have been visiting some of the companies' agencies, were in Chicago Friday on their way back to the home office.

—

R. R. Harrold, for many years chief adjuster of the accident and health department of the Pacific Mutual Life, with headquarters in Chicago, and former president of the International Claim Association, has been in Chicago renewing old acquaintances. He is now an independent adjuster in Los Angeles.

—

Mrs. Dana M. Snyder of Auburn, N. Y., wife of one of the veteran general agents of the North American Accident, was killed in an automobile accident just outside of Chicago last week. Mr. Snyder was quite badly injured but was able to return home by the end of the week. They had been spending a few days at the world fair after attending the North American convention in Chicago the previous week-end, and were just starting for home in their car when the accident occurred. Mr. Snyder has been connected with the North American Accident for more than 30 years and both he and Mrs. Snyder were well known and greatly beloved by its agency force.

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Mrs. Marie H. Bland, widow of John R. Bland, founder and former president of the United States Fidelity & Guaranty, died in the Union Memorial hospital at Baltimore at the age of 77. Surviving are a daughter, the wife of Vice President W. W. Symington and a son, R. H. Bland, chairman of the board of the United States Fidelity & Guaranty.

—

E. J. Lucas, 56, head of the Lucas & Dake Co., general agent of the Aetna Life and affiliated companies in Rochester, N. Y., died there last week. He established his agency in 1905 as the Edward J. Lucas Company, the name being changed to the present style in 1913.

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PERFORMANCE

★ ★
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Dependable and prompt plate glass replacements, year after year, has built an enviable reputation of performance for this organization among insurance men and their plate glass policyholders.

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NEWS OF THE COMPANIES

Entire Business Reinsured

Mutual Benefit H. & A. Is Assuming Policies of Physicians Protective Casualty, Indianapolis

The Mutual Benefit Health & Accident of Omaha closed a deal effective Oct. 1 to take over the business of the Physicians Protective Casualty of Indianapolis, an assessment concern with approximately $75,000 premiums now in force. Assumption riders are being attached to all Physicians Protective policies, the policy provisions and premiums remaining unchanged.

The Indianapolis company, which was organized in 1930, went into receivership Sept. 13. A. A. Cooper was president and C. C. Renow secretary. Premium income reported as of Dec. 31 was $103,819, total income $146,663, and combined losses and expenses 104.9 per cent. The premiums had shrunk considerably this year.

Actual assets that could be realized on were said to be inconsequential, although the admitted assets reported as of Dec. 31 were $87,213.

S. C. Carroll, assistant to the president of the Mutual Benefit, and J. S. McGurk, of Redfield & McGurk, managers for that company in Illinois and Indiana, negotiated the deal which is being handled through the agency.

Plan of New Company Given

Great Lakes Casualty of Detroit Presents Some of the Features of Its Contracts

The Great Lakes Casualty of Detroit, which has entered the field, is writing automobile including garage payroll, individual owned cars and fleets, all forms of burglary insurance, plate glass including the 50-50 retention form with $10 minimum premium, public liability. A new all risk country-wide public liability policy has been issued by the Great Lakes Casualty. Its assets are $901,494, capital $300,000, reserve for future losses $400,000, net surplus $200,144. Armstrong Crawford is president. It gives the following features in its policies:

1. To insure the assured (not indemnify).
2. Including damages for loss of services and expenses (consequential damage).
3. Bankruptcy of the assured does not stop payment of damages assessed against him.
4. Claims reported "as soon as reasonably possible."
5. Cancellation does not prejudice prior claims.
6. Thirty-day automatic coverage in case of change of interest due to death or bankruptcy.
7. A breach of the policy provisions affects only the claim in which the breach occurred. Otherwise, the policy remains in full force and effect.
8. The policy contracts are clearly and concisely worded. They are free of legal verbiage and technical phraseology.

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IN variety of insurance written, the Maryland is second to no other company. It writes practically every Casualty line. It issues Fidelity and Surety bonds of all classes.

Its 8,000 agents cover every State and are located as well in Alaska, Cuba, Puerto Rico, Canal Zone, Panama, Hawaii, Canada, and Mexico.—A farflung service invaluable alike to the greatest business organizations or the individual policyholder at home or in his travels.

Always say: *"We want our protection through the Maryland Casualty Company."* It means something.

MARYLAND CASUALTY COMPANY · BALTIMORE



F. HIGHLANDS BURNS PRESIDENT

CASUALTY INSURANCE SURETY BONDS

FIDELITY AND SURETY NEWS

Cover Mainly Federal Work

Most Contract Bonds Being Written Cover National Projects—Award $20,000,000 a Month

NEW YORK, Sept. 27.—Such contract bonds as surety companies are writing these days cover almost wholly the works of the federal government, state, county and municipal offerings being negligible. The national government is awarding contracts for projects of various types at the rate of $20,000,000 a month. The issue has been raised as to the legality of the administration's increasing allowances to persons who assumed obligations prior to enactment of the NRA to take care of the added wage scale necessitated thereby. The matter is receiving the attention of the Attorney-General, the assumption being that a satisfactory solution will be found.

These cases, however, apply only to a percentage of contracts. The greater number of awards were made since the act became effective, and its terms were understood by bidders at the time of submitting figures. In large part, material needed under awarded contracts was arranged for in advance of the upswing in prices, and hence is not a factor in consideration of work in progress.

Sues to Cancel Bond

TOPEKA, Sept. 27.—The Fidelity & Casualty has filed a suit in the Shawnee county district court to cancel a depository bond on special deposits of the Kansas state teachers college of Emporia in the Fidelity State & Savings bank of Emporia. The bond is for $20,000 and is dated July 18, 1933. The Fidelity & Casualty denies the genuineness of the depository bond.

The bank, owned by W. W. Finney, was closed when the Kansas bond forgery scandal was discovered. W. W. Finney is the father of Ronald Finney, charged with the forgery of a million dollars of municipal bonds and school district warrants.

Get Problem Off the Dead Center

(CONTINUED FROM PAGE 33)

and serious problems off of dead center. The chief cause of non-accomplishment is the unwarranted assumption of many company executives and agents that it is only a problem of increasing company income by increasing the rates which should be charged. When disapproval is given to applications for increased rates there is a tendency of companies to throw up their hands and say that the insurance department is responsible for all the trouble and is bleeding them to death.

Top Limit to Rates

"It will be well for the truth to sink in that there are maximum as well as minimum points to which workmen's compensation rates can go. Rates must not only be adequate to insure company solvency but reasonable for the protection of industry. If rates cannot be kept both adequate and reasonable it is inevitable that the structure of compensation insurance by private carriers will fall. If there is a panacea for existing compensation problems it must be looked for elsewhere than in the rate schedule. That does not mean that rates should not from time to time and in view of changing conditions be revised.

"When the New York department by questionnaire last year directed the attention of compensation carriers to various practices wherein savings might be effectuated it was no idle gesture or perfunctory inquiry. It was equivalent to a direct assertion that instead of doing the conventional thing of letting the public through industry pay a substantial increase in revenue, practices should be reformed and economics put into effect that would at least help the critical situation. When the truth of this statement is thoroughly realized substantial progress will have been made toward a solution of the present trouble."

Aetna Life Plan Is of Interest

(CONTINUED FROM PAGE 31)

least 20 years to accomplish the absorption.

"This cannot be done in a short time," Mr. Brainard said. "It will require at least a generation and maybe more. We believe that now is the time to start. The transfer of the accident and liability department to the casualty company will result in much greater economy and will eliminate considerable duplication of effort. As the business is now set up it is very complicated. Greater efficiency will result from the change."

Benefit Pointed Out

When questioned regarding the benefit to be derived by either company from a financial standpoint Mr. Brainard declared that the change will be beneficial to the casualty company because the business which the accident and liability department of the Aetna Life has built up through the years will make money for the casualty company as it has for the Aetna Life. Mr. Brainard's remarks in connection with this angle of the change will put at rest reports that the life company was shifting a "hot potato," believing that now is the time to get rid of the casualty business.

Analysis of the Figures

An analysis of the figures of the two companies, however, will show that those who make such an assertion have not studied the question. The premium income of the accident and liability department of the Aetna Life for the year ending Dec. 31, 1932, totaled $22,662,000. The department showed a loss of $1,427,301 on the business written but this loss was largely offset by the interest earned on reserves which totaled $1,193,000. Interest, dividends and rents totaled $1,424,928.

For the ten-year period ending Dec. 31, 1932, the accident and liability department of the Aetna Life showed a net loss of $6,402,372, equal to 2.3 per-

cent, of the earned premiums. This was more than amply offset by the interest earned on reserves which totaled $11,153,035. During this period stockholders' dividends totaled $5,800,000 in cash and $2,500,000 in stock which is this department's proportionate share of the disbursements made by the Aetna Life. Thus, it will be seen that while an underwriting loss has been incurred the company has made a profit on the business through the returns on its investments which have been built up through the years. It is this profitable business which the Aetna Life will now transfer to the Aetna Casualty & Surety.

Sees Trend of the Times

Comment has been made in insurance circles that the Aetna Life, in making the move, is getting in line with what may be the trend of the future, calling for the divorcing of allied lines by life companies, so that the latter will do a strictly life business.

During the past ten-year period the Aetna Casualty has earned an underwriting profit of $3,269,811. For the year ending Dec. 31, 1932, it earned $1,436,427 while its interest on reserves totaled $1,034,000. The premium income last year was $13,914,000. After the gradual absorption of the accident department's business the Aetna Casualty would show a premium income of about $35,000,000 on the basis of last year's figures.

Change Long Considered

The change has long been considered by the Aetna Life, Mr. Brainard said, as it has been believed that the casualty business should be concentrated in one company rather than having it split between two organizations. Allocation of expenses under the latter system is most difficult. Under the new system it will be possible for a purchaser of life insurance to obtain the fullest protection on his policy rather than having any jeopardization through a claim on the assets from the accident and liability department.

Compensation Up at White Sulphur

(CONTINUED FROM PAGE 31)

not the least worthy of whom is "Uncle" Edson S. Lott, president of the United States Casualty, other erstwhile familiar figures are absent. The missing include A. Duncan Reid, sie S. Phillips, and W. M. Tomlins, to mention only a few. The fair sex is well represented.

Various Speakers Heard

President J. Arthur Nelson, proved an excellent presiding officer. His introductory remarks were well timed and to the point. The address of C. D. Sturtevant evidenced a thorough knowledge of the subject with which it dealt, and was attentively followed by his auditors throughout. The required presence in Washington of R. L. Lund precluded his delivering his address, which was read by F. Robertson Jones.

After a few preliminary remarks Superintendent Van Schaick renewed his former plea for improving the status of workmen's compensation insurance. He declared the subject was of the gravest concern for both underwriters and assured, and pledged the cordial cooperation of the insurance department in whatever remedial measures the companies may determine upon. H. P. Dunham, commissioner of Connecticut, next spoke briefly to the same end, as did J. A. Beha, following adjournment of the business gathering. Governor White of Ohio was unable to be present.

Favor Retrospective Rating

Golfing was in order, the majority of those here participating in the game.

While attendance at the round table discussion held in the evening by the agents was restricted to members of the organization, the understanding is that virtually the sole subject considered was the plight of the compensation line. The agents still feel the retrospective rating plan advanced by Wade Fetzer is worthy of serious attention and that the suggested hour instead of payroll returns be studied as a rate making factor. W. L. Teslie, associate general manager of the National Bureau, is working upon an entirely new rating program for the compensation line and when the task is completed, as it is expected it will be shortly, the general agents and state commissioners will be asked to consider its merits.

Having served five terms as president of the National Association of Casualty & Surety Agents, T. A. Braniff refused to consider reelection, though consenting to serve as chairman of the executive committee. He will probably be succeeded in the former office by J. R. Millikan, representative at Cincinnati of the Fidelity & Casualty. All other officers will probably be reelected.

Agents' Committee Reports

The report of the executive committee of the Agents Association offered by Chairman W. G. Wilson touched upon conditions in the workmen's compensation line, expressing the hope that tangible results looking to its improvement would develop before the close of 1933. Conferences with company heads regarding commissions on bankers depository bonds proved wholly unsuccessful, while but partial success was attained with respect to commissions on construction bonds in that assurance had been given that no reduction would be made in commission upon projects estimated to cost less than $2,000,000. Upon federal or federal aid projects costing in excess of $2,000,000, managers declared a radical reduction in commissions was necessary.

The incoming administration was urged to lodge with the proper federal authorities a protest against patronizing London Lloyds in connection with bankers blanket bonds, and urging amendatory legislation controlling the activities of individual underwriters. Adoption of measures to bring non-cooperating stock companies into agreement was recommended, the secretary of the association being directed to send a questionnaire to all member agents calling for a list of the non-affiliated casualty and surety company representation of each.

Robert L. Lund, president of the National Association of Manufacturers, addressed the joint meeting on "Industry and The New Deal." Among other things he said that consideration of all the codes that had been submitted require at least a year. Touching on the financial side, he indicated that the national debt may reach the war time figure of $25,000,000,000.

Proposed Legislation Record High

Proposed legislation affecting insurance reached a higher stage during the legislative year of 1933 than ever before, according to the report of F. Robert Jones. Mr. Jones is secretary of the International Association of Casualty & Surety Underwriters, and general manager of the Association of Casualty & Surety Executives, the latter of which acts as the representative of the member companies in legislative matters. While new objectionable bills got through in 1933, fears were expressed for next year, despite its lean and "off" years legislatively. The need of states for revenue threatens the companies with burdensome taxes. In Idaho the premium tax was raised from 2 percent to 3 percent, and Nevada imposed a new tax of 1½ percent.

Compensation is particularly subject to legislation. Oklahoma adopted a state fund this year, and monopolistic funds were proposed in 11 other states. Bills increasing compensation, for dealing with occupational diseases were numerous.

Special deposit bills were strongly urged in various states, but were passed only in North Carolina, Georgia and Tennessee.

A discussion of the agricultural adjustment act was given by C. D. Sturtevant of Bartlett Frazier Company, Chicago grain merchants. He said the enactment of the bill was a decisive defeat for the grain trade in the legislative field and outlined the principles of the grain marketing system and futures trading. However, the grain men are cooperating with the administration in an effort to bring to the farmer the prosperity to which he is entitled.

Des Moines Club Elects

At the annual meeting of the Casualty & Surety Club of Des Moines, Frank H. Noble, Des Moines manager of the American Surety, was elected president. Other officers are George A. Voth, manager Travelers, first vice president; H. B. White, counsel, U. S. F. & G., second vice president; and Fred Appel, manager, National Bureau, reelected secretary-treasurer. K. G. Ellsworth, manager, Aetna Casualty & Surety, retiring president, serves with the above officers as a member of the executive committee.

J. Dillard Hall, Iowa manager U. S. F. & G., spoke briefly on the highway safety campaign which starts in Iowa this week, and said that by proclamation of Governor Herring, Iowa is to have a campaign lasting a full year, from Oct. 1 to the same time next year.

The leading producers of accident and health insurance have cooperated to publish the **Proved Premium Producer.** It contains a selection of business ideas, plans and methods for building business. Price $3. Write 420 East Fourth St., Cincinnati.

"There are many things we might say . . .

. . . as to the manner in which we propose to serve you . . . as to the reasons why your connection with Ohio Casualty will be a happy and a profitable one . . . but we prefer to "sell" the Company to you on the basis of performance rather than promises."

Thus, day after day, home office typewriters tap out our message of welcome to newly-appointed agents. Today, with one quarter of the year still to come, the agency organization has been increased by 20% over 1932.

Why this big increase in Ohio Casualty representation? No territory has been added this year, standards have not been lowered. It is a natural, healthy growth, the result of a growing recognition by agents of the soundness of this company's structure, the saleability of its policies, the efficiency—and the friendliness—of its service.

Perhaps we have something that will help YOU to secure greater volume, better profits. A post card inquiry will bring full information.

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experiment with automobile insurance this year.

IT doesn't pay to take chances on automobile insurance. The test comes when a claim arises. Then it is reassuring to know the policy is with the Belt Casualty, a stock company, that pays just claims promptly.

Automobile insurance in the Belt Casualty relieves both agent and policyholder of worry—a sales point these days.

Ask about the careful training and instructions given our agents and you too will understand the value of including the Belt Casualty in your agency.

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Surety
Burglary, Robbery and Holdup
Compensation

NATIONAL CASUALTY COMPANY

W. G. Curtis, President

Home Office
Majestic Building, Detroit, Michigan

Executive Committee Chairmen



W. G. WILSON, Cleveland, Ohio



JAMES L. D. KEARNEY, Hartford, Conn.

At the great casualty meeting at White Sulphur Springs this week two men of importance in the organizations will participate. J. L. D. Kearney, vice-president and general manager of the Hartford Accident & Indemnity, is chairman of the executive committee of the International Association of Casualty & Surety Underwriters. W. G. Wilson of Cleveland, former president of the National Association of Casualty & Surety Underwriters, is now chairman of the Association's executive committee.

Proposes New Method of Handling Auto Claims

The handling of automobile injury claims by a procedure similar to that used in workmen's compensation is proposed by Dr. P. H. French, Columbia University fellow, in a study just published by the Columbia University press. The plan would involve abandonment of common law rules of negligence, contributory negligence, etc., and put all liability on auto owners, who would be compelled to furnish evidence of financial responsibility.

Rules Against Hospital System

OKLAHOMA CITY, Sept. 27.—The Oklahoma insurance commissioner has advised the Hospital Service System, Inc., to either discontinue business or comply with the state insurance laws. The order was based upon an opinion of the attorney-general, which indicated that the protection and service given by the system, was of the nature of insurance and came under jurisdiction of the state insurance department.

The system is composed of a group of four local major hospitals of the city, and issues contracts providing for services in these hospitals for a stipulated number of days each year, upon payment of a designated premium.

Cleveland Congress Oct. 20

The Cleveland Accident & Health Insurance Club has set Oct. 20 for its northern Ohio sales congress. Meetings will be scheduled from 1:30 to 4 in the afternoon and from 7:30 to 9:30 in the evening. Over 200 delegates are expected. Speakers already engaged include A. M. Holtzman, director of field service of the Continental Casualty; W. B. Watkins, Cleveland, leading producer for the Travelers, and W. G. Wilson, Aetna Life manager at Cleveland.

A. H. Reetz has been named Iowa state agent for the Washington National of Chicago with headquarters at Hampton.

The Tennessee department has ruled that bonds of the **Home Owners Loan Corporation** will be admitted at par in all companies' annual statements.

Physicians Protective Sold to Mutual Benefit

Under direction of the court and the Indiana department sale was consummated on Tuesday of this week of the entire assets and business of the Physicians Protective Casualty of Indianapolis to the Mutual Benefit Health & Accident of Omaha. All outstanding policies of the former company, under terms of the agreement, remain in full force under an assumption rider. The policies will not be disturbed. The purchasing company expects to expand its agency force and will be able to use many of the agents which represented the Physicians Protective.

Organize Iowa Federation

DES MOINES, Sept. 27.—Formation of the Iowa Insurance Federation is under way. John T. Hutchinson, secretary of the national organization, is in charge of promotion of the Iowa group. An organization meeting will be held about Oct. 15 for election of officers and adoption of a constitution.

Noble Heads Des Moines Club

F. H. Noble, manager in Des Moines for the American Surety, has been elected president of the Casualty & Surety Club of Des Moines. Other officers are Geo. A. Voth, vice president; H. B. White, second vice president and F. W. Appel was re-elected secretary and treasurer. J. Dillard Oall will continue as chairman of the accident prevention committee and C. E. Ford will again head the legislative committee. John T. Hutchinson, secretary of the Insrance Federationu of America, New York City, was the speaker at the meeting.

Canada Wants Particulars

Superintendent Finlayson of the Dominion of Canada insurance department has asked for complete particulars of all stocks, bonds and debentures which will be listed in the annual statement the end of this year. He is seeking this of all British and foreign companies.

Associated Companies Expanding

SAN FRANCISCO, Sept. 27.—C. W. Fellows, president Associated Indemnity and Associated Fire & Marine, announced today that the two companies will start operations in Ohio in the near future, licenses having been issued Sept. 21. W. Roe Dempsey, vice-president of the companies, completed entry arrangements. He is now in Chicago completing additional repreresntation for the companies.

Interest Aroused in Sheet Published in New Jersey

There have been a number of inquiries about a sheet known as "The Policyholder," which has figured in a rather interesting way at company headquarters or wherever there was anything in the offing. E. M. Carroll is running it. He has a very small office at 45 Clinton street, Newark, N. J. He was formerly associated with the Guardian Mutual Casualty, which went to smash in 1927. The New Jersey insurance department made a very searching investigation of that crash. This sheet was first published in Jersey City, then Newark and finally New Brunswick, where Carroll makes his headquarters. The Newark office is closed a greater part of the time, Mr. Carroll merely calling for his mail in charge of the renting agent. In connection with "The Policyholder," the "Policyholders' Advisory Service" is issued consisting of a book and monthly "reports" of insurance companies. Evidently Chicago has missed one sheet of this particularly kidney at least.

Miscellaneous Notes

J. E. Watts and C. J. Callan have formed the **Watts & Callan** agency in the Milliman building, Leroy, N. Y.

Wells & Bliss, Akron, O., has been incorporated by K. D. Wells, Ray Bliss and A. R. Wells.
manager.

H. J. Powers, Kalamazoo, Mich., has taken over the Farmers & Mechanics Agency, with offices in the Bank of Kalamazoo building.

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Buckeye Union agents are making progress day after day, with collections up-to-date. You can do the same. Write today for complete information on the Buckeye Union plan. There is no obligation.

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Chicago Shippers' Plan Is Defended

(CONTINUED FROM PAGE 3)

fits afterward, or finding them irresponsible and without insurance. The listing was changed to include only member-truckmen.

A requirement of membership was that the truckman provide adequate cargo and property damage insurance; that his financial responsibility be certified and a copy of his financial statement and balance sheet furnished. Reliability also was investigated. This has been done for a year and a half. The trucking situation was very bad in Chicago, and still is. The association, which is dedicated to public service, felt a responsibility in clearing up conditions.

Found Gap in Protection

Even with the above method of handling, some shippers suffered losses that were impossible to avoid. Several insurance plans to bridge this gap were considered. Finally agencies that were members of the association were invited to quote on a contingent policy. This policy covers only shippers who are members and whose names are endorsed on the policy. The shipper must sign an application specifically to be included in the policy.

The premium arrangement is based on a rate of 7½ cents per $100 of gross freight charge. Each member's annual freight bill is estimated. Each member pays premium in proportion to the amount of his shipments. It is a reporting form, the shippers submitting actual results to the National Union from time to time, and premiums being adjusted accordingly.

Admittedly the rate is low, but some bids were lower, the quotations ranging upwards from 5 cents per $100 to 9 cents.

Differential Due to Selection

One criticism of the plan is that it provides shippers insurance on a "cut-rate" basis. Mr. Schwietert says if there is any differential it is because of careful selection of truckmen and providing the insurance company with risks investigated exhaustively and continually watched for signs of trouble. One truckman, for instance, recently mortgaged much property and this fact was immediately noted by the association as affecting his financial responsibility.

Mr. Schwietert says it is a "cooperative" plan. However, each shipper in the scheme will make any claims and collect losses individually, either direct or through the association as a clearing house.

Another criticism of the plan is that there is discrimination in rate between shippers of various commodities of little or great risk.

Little Hazard Under Contract

The answer to this by Messrs. Bankhardt and Schwietert is that there is little difference what rate is charged on the contingent form if the primary insurance on truckman is properly written. There is little hazard under the contingent form, it is believed, in view of the close supervision of member truckmen exercised by the Association of Commerce.

It is said some companies have been meeting the rate quoted on this contingent contract for the regular shipper's cargo policy.

Criticism of the Association of Commerce arrangement is being taken on a number of other points. It is said this virtually is a "calling card" for Association of Commerce membership hustlers, both truckmen and shippers being prospects. Under a misapprehension as to how the policy was written, it also was said the organization had no insurable interest.

A point not of interest to insurance is that truckmen who are refused membership and whose names thus do not appear on the list in the "way to ship" guide, might have grounds for civil action on a charge of discrimination.

Another point of considerable insurance interest is that on claims on a number of contingent inland marine contracts which have been adjusted recently by the Western Adjustment, the position taken has been that for any liability to attach under the contingent form negligence of the truckman must be shown. The arrangement, therefore, may not be so "air-tight" as the Association of Commerce believes.

Mr. Bankhardt said this plan offers hopes of going far to clear up the trucking business. Truckmen as yet have no standard bill of lading. There are trick clauses, open to various interpretations. In many of these subrogation against the truckman cannot be estimated.

The Association of Commerce, he said, has a fine transportation committee, eager to eradicate trucking evils. It is the belief that trucks are here to stay. Before long jurisdiction over them may be taken by the Interstate Commerce Commission.

Replaces Shipper's Endorsement

In the meanwhile the present plan is to be continued. It is designed to take the place of the shipper's interest endorsement on truckmen's cargo policies forbidden July 1 by the Inland Marine Underwriters Association. The Chicago plan calls for notice from truckmen-members whenever policies are canceled, premiums not paid or policy changes made. This information is passed on to shippers in the plan so they can protect themselves.

A truckman-member who drops below the qualification level, if he does not rectify the situation will be dropped from membership, which fact will go forward to shippers and the National Union. The contingent policy will bear an endorsement listing truckmen to whom it applies. Delinquent truckmen's names will be stricken from this list, the coverage as relating to them immediately becoming void. Any additions of truckmen or shippers also will be made by endorsement.

There are now some 50 truckmen who are members of the association, it is said. There are approximately 1,000 shippers in the organization, of whom five are now under the insurance plan. It is believed a large majority will come under the plan before long.

VIEWED FROM NEW YORK

NEW YORK, Sept. 27—The Chicago Association of Commerce's proposal to furnish a marine coverage which would substitute for the shipper's interest endorsement recently eliminated from truck cargo policies has received a setback, as it is understood that the I. M. U. A. has directed that all such contracts be cancelled, the notice of cancellation to be sent out not later than Oct. 15, concellation to be effective not later than Nov. 15. The latter provision discourages any effort to lengthen the cancellation notice period unduly.

Effect of the Plan

The Chicago plan would practically eliminate any need of shippers' carrying insurance on their goods while in transit, or at least greatly reduce the premium from this source, as it would eliminate the trucking risk from the coverage. The plan would in effect insure that shipper whose truckman failed to carry insurance would be reimbursed in the event he could not collect from the truckman in the event of loss. One of the primary reasons for eliminating the shipper's interest endorsement last summer was to get each class of business back in its proper category. The shipper's interest endorsement amounted to giving free insurance to the shipper.

Adoption of the Chicago plan would, it is felt, bring back all the complications and trouble which the removal of the shipper's interest endorsement was

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The largest insurance agency in the State of Wisconsin

designed to correct. There would also be the danger that shippers, being insured against the failure of their truckmen to carry insurance, would grow careless in the selection of those who did their hauling.

Previously, when the endorsement was still being granted, shippers were careful to select only truckmen who carried adequate insurance, as the ability of the company insuring the shipper's goods to take subrogation against the trucking concern in the event of loss was a material factor in keeping down the shipper's insurance rate.

Since the rates on shippers' policies, taken as a whole, depend on the losses the companies have to pay over and above what they or the shipper can collect from the truckman's insurance company, underwriters feel that it would be much better to have each class of business stand on its own feet, where the experience can best be analyzed and rates be fixed accordingly.

Interesting Comments on Current Loss Conditions

(CONTINUED FROM PAGE 3)

comes out of the same pocket, he said. Therefore, he took occasion to refer to the automobile adjusting situation in Chicago. Automobile adjustments in Chicago until recently were just as discreditable as were fire adjustments seven years ago. The stealing of cars in Chicago, he said, has been reduced to a science. There were more than 33,000 thefts in Chicago last year and over 35,000 in 1931. There were 22,000 in 1930. He expressed the belief that the companies could, if they would stand together, cure this condition. It must be done, he said, for the good name of stock fire insurance. The cooperation of non-association interests is assured in advance.

Desires Bureau Supervision

The requirements that automobile adjustments should be placed under the jurisdiction of the Cook County Loss Adjustment Bureau in certain cases is only one step in the right direction, he said, and without practically unanimous report it is not going to accomplish the results expected, for agents still refer auto losses to adjusters of their own choosing.

Mr. Street referred to the recent creation of a super committee to handle automobile affairs in Chicago. Delegated to this committee are the functions of five other committees that had been dealing with the situation. He expressed the belief that this committee, with plenary powers, will accomplish some good.

Adjusters Receive Commissions

Proof exists, according to Mr. Street, that a large proportion of automobile adjusters in Chicago have regularly been receiving from garages a commission of 10 percent and a few of these adjusters have been conniving to defraud the companies they were supposed to represent. He said the state's attorney in Cook county is investigating. He told of one family that in the past three years had at least 27 automobile loss claims, involving aggregate payments of $20,000.

"The methods of controlling business being pursued by some of these automobile adjusters in Chicago reflect a condition you cannot permit to exist," he said. "Favors to subordinates in our agencies and even in our own organization in connection with which the supplying of liquid refreshment is a minor item, ranging through club entertainments to an offer of such consideration as a saddle horse or a free vacation to one having assignments to make is sometimes treated as a matter of small moment but can only reflect discreditable conditions which cooperation alone will help to eradicate."

There is no other city in which the name of stock fire insurance stands higher than Chicago, he said, and it is vital that the companies do not allow this reputation to be smirched through evils in the automobile end of the business.

Appraisal Issue Is the Big One

(CONTINUED FROM PAGE 3)

might properly undertake a service that would insure it a competitive advantage over its associates. The conviction of managers, both from the east and the west, was that if the North America or any other company was allowed to make appraisals, each rival office would undertake like service within 24 hours the net result being that the expense element of the fire business already sufficiently high, would be increased, without any offsetting advantage. In fairness be it said that throughout his entire arguments upon the convention floor Mr. Tuttle never intimated withdrawal from the association if the body failed to sustain his position and he accepted defeat in a thoroughly sportsmanlike manner.

Excepted Cities Vexing Problem

That the governing committe will face a difficult task in its study of practical measures for enforcing separation in the large premium producing "excepted cities" is fully appreciated. President Williams, however, maintained that should such course be determined upon, there was no question in his mind as to the ability of the organization to carry it out. Agents in Chicago, Cleveland, Cincinnati, St. Louis, Louisville and Milwaukee, handle a large volume of brokerage business, a factor that would have to be dealt with in any agency separation program. Officials of orthodox companies are not a little chagrined through the dealings had by some of the leading local agencies in these centers, with free lance institutions, whose acceptance of business at cut rates and under exceptional forms tends to unsettle the whole field, and if unchecked may lead to general demoralization.

Recent Dealing with Free Lances

As the Association companies have through years of constant upbuilding created the machinery and methods for handling business along sane lines, managers feel they are entitled to the cordial support of the agency fraternity, and resent the disclosed readiness of a number of leading local representatives to patronize institutions operating outside the breastworks and sharpshooting at the premium volume secured through long and painstaking effort by the orthodox companies. While separation in the large cities would mean a radical change in the long established policy of the W. U. A. its membership is yet ready to seriously entertain such course, unless the agents cease patronizing hostile companies and support those who work hand in glove the American agency system.

Consolidation of Organization Work

Granting authority to the governing committee to "continue negotiations looking to the assumption of jurisdiction over the allied lines, means that further discussions will be held with eastern executives now exercising nationwide authority over these divisions of the business. Initial conferences, in so far as the automobile line is concerned, were had 12 months ago. The feeling is that considerable fire business in the west is lost to some companies through alliances formed by others with casualty institutions paying excess commissions to local representatives on public liability and property damage risks, either outright or through the subterfuge of naming purely local men general agents, and compensating them upon such basis.

In deciding to create a special department in the office of the W. U. A. for aiding field club committees in dealing with the balance rule in agencies where peculiar problems are involved, the purpose is not to interfere with the activities of the field men, but rather to be of help to them; hoping thereby to avoid the difficulties in which some companies became involved as a consequence of the sale of agencies.

For the most part the recommendations contained in the report of the governing committee engaged the attention of the members at both sessions, the various standing committees having little to offer outside their reference to routine affairs. An exception, though, was the reports of the committees on loss adjustments presented by C. R. Street, chairman.

Because of the operation of the N. R. A. company men were told they would have to pay added amounts henceforward for printing and supplies ordered from the uniform forms committee.

Have Permanent Meeting Places

Decision to hold future meetings at stated centers instead of at different cities, as has been the practice hitherto, was impelled through a last minute change forced upon the management after it had arranged to meet elsewhere than Saranac Inn, only to learn that adequate facilities could not be furnished at the time desired. This condition is not likely to be encountered again, it was felt, if a general understanding was had with the proprietors of the Green Brier at White Sulphur Springs, W. Va., and of the Equinox House, Manchester, Vt., that the future spring meetings would be had at the former and fall meetings at the latter place each year.

Number of Ladies Present

A number of ladies graced the occasion, spending the time when business sessions were in progress motoring, or strolling along the lakeside.

The weather for the most part was unpropitious, rain falling each day, thus interfering sadly with the plans of the golfers each afternoon.

Several of the Hartford contingent had their cars with them and were able to drive to Lake Placid and through other scenic spots.

At the conclusion of the gathering some of the western managers traveled to New York, Newark, Philadelphia, or other headquarter centers for conferences with home office officials.

Paul L. Haid, president of the Insurance Executives Association, was on hand during the first day of the meeting, but did not participate in the session.

Expect New Law to Boost Sales

DETROIT, Sept. 27.—In a letter to the members of the Michigan Association of Insurance Agents Kenneth Watkins, chairman of the legislative committee and president of the Insurance Federation of Michigan, points out the opportunity presented by the new Michigan auto responsibility act, which goes into effect Oct. 16 for writing a large volume of auto business. Mr. Watkins says it is the duty of every insurance agent to see that the public is fully informed on the provisions of the bill, suggests group meetings of agents in each community to lay out a program of procedure, consultation with local newspapers to insure full publicity on the act and a systematic drive to see that everyone is protected.

Service Office Transferred

The American States of Indianapolis has transferred its Michigan service office from Detroit to Lansing, with headquarters at 208 North Capital avenue. W. E. Nevin is manager.

Oklahoma Robberies Decline

OKLAHOMA CITY, Sept. 27—Bank robberies, burglaries, or attempts at both, in Oklahoma declined almost 50 percent during the past year.

The **Associated Indemnity** has been licensed in Ohio. E. A. Pabody of Cleveland is state agent.

New Accident and Health Policies and Rates

Analysis Ready in the New Time Saver .... April 29, 1933

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Complete Analysis of Accident and Health Contracts and Rates.

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160th SEMI-ANNUAL STATEMENT

June 30, 1933

ASSETS

Cash in Banks and Trust Companies	$10,327,314.48
United States Government, State, County and Municipal Bonds	14,873,788.30*
Other Bonds and Stocks	57,744,749.52*
Premiums in course of Collection	9,616,982.06
Accrued Interest	455,374.00
Other Admitted Assets	1,298,186.00
	$94,316,394.36

LIABILITIES

Cash Capital	$12,000,000.00
Reserve for Unearned Premiums	36,907,377.00
Reserve for Losses	6,536,194.00
Reserve for Unpaid Reinsurance	879,157.41
Reserve for Taxes and Accounts	625,000.00
Reserve for Contingencies	9,860,515.00*
NET SURPLUS	27,508,150.95
	$94,316,394.36

Surplus as regards policyholders $39,508,150.95

* Reflecting Actual Market Quotations of June 30, 1933.

Strength «» Reputation «» Service